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THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

CANADIAN MINING NEWS DEPARTMENT ON PAGE 20

Vol. XXVII | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, MARCH 18, 1933 | 10c a Copy; $5.00 a Year | No. 11

The Nation's Business

How Unbalanced Budgets Create Financial Crises

U. S. Lesson is Vital to Canada

Belgium Raises Credit Through Budget Balance

National Finances and Public Credit

A READER of The Financial Post sends us the following letter concerning recent articles in this column on the necessity of balancing our national budget in order to maintain Canada's credit unimpaired:

"I have read with interest and admiration your editorials directed against the inherent dangers of the present Canadian budgeting situation and your clear and repeated warning anent the necessity for correction thereof before the inexorable logic of economic laws and events forces conclusions that may be very undesirable, if not shocking.

"It has occurred to me that if your paper would devote an article soon clearly explaining just how and in how many ways and why a continued, unbalanced national budget affects and retards business improvement, it would enlighten a lot of minds now in a daze about such a matter."

All banking and private credit rests upon the basis of the governmental credit; a government's credit rests upon the confidence people have in its ability to meet its obligations; this confidence disappears when a government continues to spend more than it takes in and attempts to issue bonds or print currency to make up the difference; this in turn impairs the value of those bonds and that currency and of all public and private finance that rests upon them.

The only alternative to sound public finance is panic or crisis and no country can have either panic or crisis without endangering the safety of its private financial institutions.

All this is clearly brought out by the Roosevelt economy message to Congress from which quotations are made elsewhere on this page.

* * *

OTHER seasoned observers in the United States have found the clue to the United States banking panic in the unbalanced federal budget.

John Foster Dulles, in the New York Times has demonstrated how the banks were clogged with short-term U. S. notes, issued to pay deficits and which were theoretically liquid but that precipitated trouble when they had to be turned into currency.

Mark Sullivan, in the New York Herald-Tribune, traces the sequence of events by which governmental deficits were translated into a breakdown of all public and private credit. In part he says:

"The world came to feel that Congress would continue to let the deficits go on, and to pay them by borrowing more and more money until the government would be as 'broke' as any private citizen submerged in debt. The world, certainly the financially sophisticated part of it, knew that if this happened, the holders of dollars issued by the government and of bonds issued by the government would suffer like the unfortunate creditors of any bankrupt in private life.

"This fear about government credit and ramifications arising from this fear were responsible for the crisis that developed in late February and early March.

"If the Senate enacts the bill to maintain the credit of the United States government, then every financially sophisticated person will know and every citizen can safely assume that the crisis is passed."

Walter Lippman, who writes a daily editorial for over 100 papers, has spoken in similar vein. This week, he said:

"The government deficit is the vital point of control in the process of inflation. For unless the government is in such control of its expenditures that it knows when and how to bring them into balance with its revenues, the inflation cannot be controlled. The government will have no credit." * * *

* * *

THE FINANCIAL POST would not attempt to make any forecast as to how long this country could create additional government credit to meet "ordinary" deficits, railway deficits and relief expenditures. But we do repeat what we have emphasized so often recently that the manner in which we are conducting the financial operations of our federal government is most hazardous.

There is grave danger of a breakdown of credit in Canada and this danger can be lessened only by a last minute, heroic curtailment of all governmental expenditures—something as striking as the Roosevelt $500,000,000 slash — at once, and that means the announce-

(Continued on page 2, col. 3)

C.N.R. SAVES ON PAYMENTS IN STERLING

Holders of 14 Issues on Canadian Registry Affected

DEBENTURE STOCKS

Interest on Sterling Securities Formerly Paid in Dollars Now Provided in Pounds

From Our Own Correspondent

MONTREAL—Holders of Canadian National Railways sterling securities on the Canadian register have been notified that interest on some 14 issues is now being paid in sterling instead of Canadian currency at the par rate of of exchange.

Up until July last year holders on the Canadian registry of the securities listed below were paid in Canadian currency. Those on the London registry were paid in sterling. All holders of these securities have been put on the same basis, resulting in substantial economies to the company with sterling selling at a discount of 16 per cent or more in Canadian funds.

No details are available as to the par value of the securities affected registered in Canada, but the grand total at the end of 1931 amounted to $342,322,466.

Fourteen Securities Affected

Following is a list of the securities of the Canadian National Railways on which the interest is being paid in sterling instead of Canadian currency at the par rate exchange:

GRAND TRUNK RAILWAY (GUARANTEED BY DOMINION)

4 per cent Guaranteed Stock
$60,833,333

4 per cent Consold. Debenture Stock
$119,889,014

5 per cent G. W. Perpetual Debent. Stock
$13,252,323

4 per cent Northern Railway Perpetual Debenture Stock
$1,499,980

5 per cent Grand Trunk Perpetual Debenture Stock
$20,782,492

3½ per cent Canadian Northern Ontario Railway Debenture Stock
$34,229,997

GUARANTEED BY ALBERTA

Canadian Northern Western Railway 4½ per cent First Mort. Debent. Stock, due 1943 (Brazeau Line)
$2,799,998

GUARANTEED BY B. C.

Canadian Northern Pacific Railway 4 per cent 1st Mort. Debent. Stock, due 1950
$16,412,001

NOT GUARANTEED

Canadian Northern Ontario Railway 4 per cent Perpetual Consold. Debent. Stock
$8,724,113

Duluth, Winnipeg and Pacific Railway 4 per cent 1st Mort. Debent. Stock, due June, 1939
$7,004,997

Quebec and Lake St. John Railway 4 per cent 1st Mort. Perpetual Debent. Stock
$4,252,503

Qu'Appelle, Long Lake and Saskatchewan Railroad and Steamboat Co. 4 per cent 1st Mort. Debent. Stock
$5,020,719

St. John and Quebec Railway 4 per cent 1st Mort. Debent. Stock
$2,727,977

Canadian Northern Railway 4 per cent Perpetual Consolidated Debent. Stock
$44,943,019

Majority are Guaranteed

Of the securities listed the Dominion Government guarantees $250,437,139. The Province of British Columbia asumes the guarantee on one issue of $16,412,001 and the Province of Alberta one issue of $2,799,998. The balance of the securities, having a face value of $72,673,328, do not carry the guarantee of the Dominion or any of the provinces.

Discount on English sterling has materially reduced the Canadian National Railways fixed charges. Assuming an average of 4 per cent interest on the securities listed, annual interest charges at parity of exchange would amount to $13,692,898. Allowing a discount on sterling of 16 per cent, these charges have been cut $2,186,863 or to $11,506,035.

Status of Bonds

While the Canadian National Railways [illegible] able to effect [illegible] savings on interest payments [illegible] English funds, it has large obligations to meet in Canadian and American funds.

Savings effected on English payments are more than offset by the premium payable on purchase of American funds to meet interest payments in New York, Boston, Portland and Philadelphia.

Roosevelt Shows Way to Canada; Not too Late to Balance Budget

Completely Balanced Accounts Urgently Needed to Maintain Complete Confidence in Nation's Financial Stability

The sorry collapse of the entire United States banking structure, the stagnation of the economic life of that country was due to the impaired credit of the United States more than to any other factor.

Let that be repeated again and again in Canada until our people and our own national and provincial ministers realize the fact and act upon it.

Franklin D. Roosevelt realizes the relationships between budget deficits and national credit and between national credit and the man on the street as few men do.

Impressive in their simplicity, powerful in their meaning are these phrases from the President's message to Congress last week:

"For three long years the Federal Government has been on the road toward bankruptcy.

"We have piled up an accumulated deficit of $5,000,000,000. With the utmost seriousness I point out the profound effect of this fact upon our national economy.

"It has contributed to the recent collapse of our banking structure. It has accentuated the stagnation of the economic life of our people. It has added to the ranks of our unemployed. Our Government's house is not in order, and for many reasons no effective action has been taken to restore it to order.

"Upon the unimpaired credit of the United States Government rest the safety of deposits, the security of insurance policies, the activity of industrial enterprises, the value of our agricultural products and the availability of employment.

"The credit of the United States Government definitely affects these fundamental human values. It, therefore, becomes our first concern to make secure the foundation. National recovery depends upon it.

"Too often in recent history liberal governments have been wrecked on rocks of loose fiscal policy. We must avoid this danger.

"It is too late for a leisurely approach to this problem. We must move with a direct and resolute purpose now.

"Provision for additional saving is essential.

"Such economies which can be made will, it is true, affect some of our citizens; but the failure to make them will affect all of our citizens. The very stability of our Government itself is concerned, and when that is concerned the benefits of some must be subordinated to the needs of all

"When a great danger threatens our basic security it is my duty to advise the Congress of the way to preserve it. In so doing I must be fair not only to the few but to the many. It is in this spirit that I appeal to you."

In an effort to balance the United States budget, President Roosevelt has swept aside at a stroke towering mountains of political and social resistance and slashed $500,000,000 a year off federal expenditures.

Greater economies are to come.

This is Roosevelt's most courageous act, his most valuable gift to the people. More than his emergency banking legislation, it has set the stage for recovery.

* * *

Is the issuance of new currency by the United States a dangerous type of inflation? Here is the simple answer:

New currency issued, directly or indirectly, to pay for budget deficits would be the unsoundest kind of money and would represent inflation of the most dangerous sort. But new currency, issued to meet the legitimate or even the emergency needs of the people and based upon the credit and good faith of a financially stable government, is sound money and an invitation to prosperity.

The success or failure of the whole United States financial programme will rest upon the one factor of the management of the national finances.

Every word that can be written about the United States situation applies with full force to Canada.

Recovery will come to Canada if our governmental finances are sound. Chaos will inevitably come if we keep on spending money so much more rapidly than the people can supply it to the Government, that the national credit is impaired.

* * *

A virtual financial dictatorship was sought by President Roosevelt and was readily given to him by Congress. When he got his new emergency powers he did not have greater authority than the prime minister of Canada has today. Mr. Roosevelt simply asked that a portion of the legislative power be merged into that of the executive power of the executive. In Canada, under our system of responsible government, both legislative and executive authority are centred in the chief minister of any government that has an adequate working majority in the House of Commons and in the Senate. That is Mr. Bennett's happy position.

Mr. Bennett is, then, able to institute policies of a far-reaching character, and to enforce them aggressively. And in a time of international emergency, it is his duty not to avoid the responsibility of adopting those policies when they are needed.

In brief, Mr. Bennett and his government have upon themselves the sole responsibility for balancing the national budget and thus protecting the credit structure of the Dominion of Canada. They can do the job and must do it. Between the executive power and the legislative power there is no conflict such as condemned Mr. Hoover to failure in meeting the problems of the depression in the United States.

Requisite to the stability of Canadian credit and requisite to recovery is complete confidence in the financial position of the Dominion Government. Such confidence can not be held for long unless there is business-like conduct of the nation's financial affairs and the first essential is a balanced budget, achieved not solely through the imposition of new taxes but chiefly through the cutting of Government expenditures to match the income available from the tax-paying public.

The United States hoped that world recovery would come before financial chaos at home. They lost out. Canada is relying too much upon the willingness or ability of investors to keep on absorbing new governmental issues until a general rise in world prices lifts the nation along with other nations out of the depths of depression. It is a dangerous gamble.

Mr. Bennett and his government can make it certain that Canada will avoid something similar to the British, Australian and American crises if they will risk their political fortunes on balancing the budget at whatever cost.

But they should not delay. The first budget that should be balanced is the one Mr. Rhodes will bring down next week.

Highlights of the Week

Life Insurance

Canadian life insurance, Canada's great co-operative institution, holds steady through the economic crisis. The position of each of the life insurance companies analyzed for the benefit of policyholders in a special supplement. Pages 11 to 17.

New Packages

Many firms are stimulating sales by redesigning the wrappers and cartons for their merchandise. How and why they have done it told in first of a series of articles. Page 3.

Dictator Hitler

What the new German Chancellor stands for; how he is restrained by more conservative associates told in "The World at Large" column on page 6.

Gold Stocks

Their earnings have climbed more rapidly than the share values. But exchange premium is the vital point now. A discussion of value to those who own gold stocks. Page 20.

Banks as Dealers

Divorcing of security affiliates from United States banks raises question of bond underwriting and selling policies of Canadian banks. A frank discussion. Page 1.

National City Co. Limits Operations in Canada

From Our Own Correspondent

MONTREAL. — Following upon the move of the National City Bank to disassociate itself from its investment banking house subsidiary, National City Co., announcement was made here this week of the practical withdrawal of the National City Co. from Canada. Operations have been conducted in this country for several years past under the name of The National City Co., Ltd. Branch offices were maintained in Toronto, Quebec and elsewhere.

It is understood that The National City Co., Ltd., will not give up its charter, but that an office will be maintained in Montreal to look after certain developments in which the company has an interest, notably those of Abitibi Power and Paper Co., which is now being operated by a receiver.

Management of The National City Co., Ltd., is closely identified with the home office in New York City. At the same time it has an advisory board of many prominent Canadians. This board at present includes Sir Charles Gordon, Sir John Aird, W. A. Black, Hon. A. J. Brown, K.C., F. E. Meredith, K.C., Colonel Herbert Molson, Hon. J. M. Wilson, all of Montreal, and W. N. Tilley, K.C., and Wilmot L. Mathews, of Toronto.

Soo Railway Finances Arranged for This Year

Assistance Given by Canadian Pacific to American Subsidiary and Loans from R. F. C. Will Tide Company Over Next Twelve Months

From Our Own Correspondent

MONTREAL. — Arrangements have been made by the Minneapolis, St. Paul and Sault Ste. Marie Railway, controlled by the Canadian Pacific Railway Co., to meet its cash obligations in 1933 by way of further assistance from the Reconstruction Finance Corp. and the Canadian Pacific Railway.

For many years past controlling interest in the Soo railway has been held by the Canadian Pacific. At the end of 1932 the company had outstanding approximately $99,820,800 of funded debt, of which the C. P. R. owned $3,993,000. Of the outstanding preferred and common stocks, amounting to $12,603,400 and $25,206,800, respectively, the Canadian Pacific owns $7,000,000 of the former and $12,723,500 of the latter.

Had Good Record

At one time this subsidiary was a profitable unit for the Canadian Pacific not only because of the inter-change in traffic, but in the way of interest and dividends on its investment. Between 1903 and 1921 the Soo paid regularly 7 per cent on its preferred stock. In 1922 and 1923, 4 per cent was paid each year out of surplus. No dividends have been paid since that time.

Substantial dividends have also been paid on the Soo common stock, in which the C. P. R. has long held controlling interest. Between 1902 and 1907 annual dividends on the common stock amounted to 4 per cent. This rate was increased to 6 per cent in 1908 and 1909. From 1910 to 1921 the annual distribution was 7 per cent and in 1922 and 1923 only 4 per cent.

Contingent Liability Large

Not only has the Canadian Pacific a substantial financial stake in the Soo railway, but it also has obligated itself in guaranteeing interest, and, in some cases principal and interest, on the American company's funded debt. Of the estimated funded debt at the end of 1932, amounting to $99,820,800, the C. P. R. guaranteed interest on $85,605,000. On this basis the contingent liability would amount to roughly $3,890,000 yearly.

Finds Going Difficult

In the last decade the Soo railway has found it increasingly difficult to make headway and lately has been forced to admit its inability to meet its obligations. The company's income for 1932 shows a deficit of $5,516,465 after payment of interest in the amount of $5,679,581 on funded and unfunded debt.

The deficit is due in a measure to the fact that a large percentage of the1932 grain has not been sold but is stored in elevators or remains in the hands of the farmers along the company's lines. Grain shipments represent the Soo's most important source of revenue and ordinarily the company moves approximately 65 per cent of the crop prior to January 1 of each year. Up to January 1, 1933, it has moved only 13,000,000 bushels of grain, or less than 30 per cent of last year's crop.

W. C. R. Proves Burden

Furthermore the Soo's financial difficulties during recent years have been due in part to the burdens incident to its lease of the property of the Wisconsin Central Railway. It obtained control of this property

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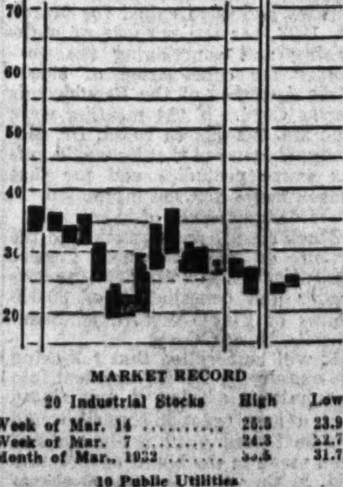
Stock Market

20 INDUSTRIAL STOCKS

MONTHLY — Dec., 1931 to Feb., 1933 | Weekly — Mar.



MARKET RECORD

20 Industrial Stocks	High	Low
Week of Mar. 14	25.3	23.9
Week of Mar. 7	24.3	22.7
Month of Mar., 1932	[illegible]	31.7
10 Public Utilities		
Week of Mar. 14	43	42
Week of Mar. 7	42	41
Month of Mar., 1932	56	51
8 Bank Stocks		
Week of Mar. 14	155	154
Week of Mar. 7	158	153
Month of Mar., 1932	203	203

FIRE LOSSES AT HIGH PEAK FOR DECADE

But Automobile Experience Better in 1932 — Income Off 8 p.c.

A substantial improvement in loss ratios on automobile business, but the heaviest loss in fire insurance business in a decade is reported in preliminary figures for Canada, released by the federal insurance department at Ottawa this week.

Premium income in both fire and automobile insurance is down approximately 8 per cent. The heaviest fire losses in relation to volume of business occurred in Quebec, which reports a loss ratio of 84 per cent as compared with 61 per cent a year ago. By far the heaviest loss ratio was incurred by foreign companies in Canada.

Automobile Figures

Net premiums written for automobile insurance of all classes amounted in 1932 to $14,464,120, a decrease under 1931 of $1,360,900, or 8.04 per cent. The losses incurred amounted to $7,291,757 or 50.41 per cent of the premiums written, as compared with 58.16 per cent in 1931.

Premiums earned during 1932 amount to $15,602,284; the loss ratio on this basis being 46.74 per cent, as against 56.33 per cent on the same basis in 1931. For the three year period, 1930 to 1932, inclusive, the ratio of losses incurred to premiums earned is 53.68 per cent, as compared with 55.72 per cent for the period 1929 to 1931, inclusive.

Fire Loss Soars

Fire insurance premiums written in Canada during 1932 decreased by $3,868,098, or 7.45 per cent below the amount written in 1931. The total for 1932, after deducting licensed reinsurance, was $48,060,874.

Of this amount Canadian companies wrote $9,877,873, British companies $20,214,324, and foreign companies $17,968,677, these amounts being less than the corresponding amounts for 1931 by 4.79 per cent, 6.97 per cent and 9.37 per cent respectively.

Foreign Companies Hit

Losses incurred, less licensed reinsurance, decreased from $31,279,133 in 1931 to $30,920,891 in 1932, the average ratio of losses to premiums written being for 1932 64.34 per cent as compared with 60.23 per cent for 1931. The ratio for Canadian companies was 54.61, for British companies 61.82 per cent and for foreign companies 72.52 per cent.

Adjusting the written premiums for the reduction in unearned premium reserve the ratio of losses incurred to premiums earned is 63.76 per cent, being for Canadian companies 65.00 per cent, for British companies 59.30 per cent and for foreign companies 68.14 per cent.

Ratio Net Losses Incurred to Net Premiums Written*

(Federal licensed companies)

	1931 %	1931 %	1930 %	Average 1927-31 (Incl.)
Alberta	56.5	60.2	54.4	56.4
Br. Columbia	60.3	52.4	61.7	[illegible]
Man.	33.5	56.0	51.5	42.6
N. B.	53.5	84.5	63.5	60.5
N. S.	64.2	64.6	48.1	53.7
Ont.	64.9	56.3	57.7	51.7
P. E. I.	136.7	124.8	42.8	79.7
Quebec	84.0	61.3	63.0	52.5
Sask.	41.4	74.4	56.4	54.4
Yukon	143.2	.4	189.5	96.8
	64.3	60.2	58.2	51.8

*Licensed reinsurance only deducted in arriving at "net" figures.

Say Canadian Banks Should be Restricted in Security Dealings

Security Dealers Think Banks Should Buy Only Short Term Bonds

BANKS CAUTIOUS

Bankers Say They Have Been Well Secured in All Participations in Syndicates

Dealings of Canadian banks in long-term corporation and public utility securities are under discussion following recent developments in the United States. While Canadian banks have been syndicate members in some offerings of Canadian industrial and public utility securities, there is practically no similarity in their dealings to those of security affiliates of some United States banks. The recent announcements of severing of connections between the Chase National Bank and the National City Bank and their security affiliates create interest in the matter of security dealings of Canadian banks at this time.

Bankers in Canada feel that participation of their institutions in security underwritings is sound since, in all cases, the security for their funds has been examined and

(Continued on page 5)

Humberstone Shoe Maintains Volume

Humberstone Shoe Co. has experienced some improvement in sales during February and March. While earnings for the current year may be under the $2.93 per share earned in the year ended July 31, 1932, there is every indication that the current dividend rate of $2 per share can be maintained.

Volume of sales has held up very well, it is stated, although there was some decline in November and December. A new line manufactured by the company gives promise of increasing business. Profit on sales is lower than in 1932 due to competition from distress merchandise on the market.

FORESEE RISE IN COMMODITY PRICE LEVELS

Canadian Firms Stock Up for Two to Three Months Ahead

Some leading Canadian firms have been making forward commitments in commodities which they consume, The Financial Post is informed. The weight of opinion among Canadian buyers of raw materials appears to favor higher prices, judging from interviews obtained by The Financial Post.

There is no wild rush in Canada to buy, such as has been reported in the United States, but a number of firms have already taken advantage of low prices to stock their shelves. This trend has only developed in the last two weeks, it is understood. It does not appear to prevail in perishable goods, such as packing house products, but has been seen in sales of non-ferrous metals, and similar lines.

Three Months' Supplies

Laying in two or three months' supplies appears to have been the policy followed by leading firms. At present rates of production this would not mean extraordinary purchases, of course. Deliveries have been easily obtainable, and no immediate change in this respect is anticipated. Buyers have been too badly hurt in forward commodity commitments in the last four years to take on excess stocks. It appears to be felt, however, that there is not much risk in buying most raw materials at their present low levels.

Statistical services diverge in their views of the probable near future trend of commodity prices. The recent advances in the United States are considered by some as a mere flash in the pan. Others construe them as indicative of change. It is difficult to decide how much of current changes in commodity prices is due purely to foreign exchange influences.

Influences for Rise

At the present time, important factors tending to raise commodity prices would include:

1. Possible change in public sentiment, particularly in U. S. A., to preference for holding goods and equities instead of cash.
2. Actual and prospective wars and revolts in various parts of the world.
3. Use of asset currency in U. S. and inflation rumors in various countries, leading to speculation in commodities.
4. Ample supplies of credit in Canada and other countries to finance any business expansion and use of commodities.
5. Possible creation of public and business confidence, if budget is balanced in U. S. A.
6. Possible diverging of funds

(Continued on page 2, col. 5)

DR. McDOUGALD BLOCKS VOTE ON STOCK DEAL

Jacques Cartier Securities Holds Beauharnois Shares

From Our Own Correspondent

MONTREAL.—Affairs of the Beauharnois Power Corp. and plans for its reorganization were given a new twist this week as a result of the issuance by the court of an injunction halting a special meeting of the Jacques Cartier Securities Co.

Application was made to the court by Dr. W. L. McDougald, former head of Beauharnois Power Corp., for an injunction to halt the meeting of the securities company and prevent M. W. Wilson, banker, from voting 30,000 shares of Jacques Cartier stock.

Shareholders of Jacques Cartier Securities were to meet on Tuesday last for the purpose of sanctioning the surrender for cancellation of 80,000 shares of Beauharnois Power A stock. The surrender of this stock could only be effected if an equal number of Jacques Cartier shares were surrendered.

In his petition for an injunction, which was issued by the court after Mr. Wilson, through his attorney, had undertaken not to vote the shares at the meeting, Dr. McDougald stated that he was the owner of 30,000 shares of stock in Jacques Cartier Securities Co. On January 11, 1932, he deposited a certificate for 30,000 shares for the following purposes: "that the shares were to form part of a block of 80,000 shares which were to be surrendered to the company for cancellation on condition that the Dominion Government pass an order-in-council permitting the Beauharnois Power Corp. to proceed on properly authorized lines, or, in the alternative, that a new board of directors of the Beauharnois Power

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CUSTOM TAILORING DEPARTMENT T. EATON Co.

[redacted]

THE CUSTOM TAILORING SHOP

Announces the New Woollens FOR SPRING 1933

[redacted]

T. EATON Co LIMITED

The Nation's Business

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ment should not be delayed beyond the budget speech of Mr. Rhodes next week.

* * *

Belgium Enhances Her National Credit

THE FINANCIAL POST has quoted several examples to show how the balancing of the national budget has brought higher credit standing and improved economic conditions to various countries. Another similar good precedent for Canada is now available.

The Finance Bill which has just been laid before the Belgian Parliament shows that the budget for 1933 has been balanced by economies to the extent of 44 per cent and by new taxes to the extent of 56 per cent. Expenditure, compared with 1932, has been reduced by 1,121,000,000f. The new taxes comprise a "crisis tax" of from 1 per cent to 4 per cent on all incomes and salaries, which will yield 450,000,000f. Additions to existing taxes, which are not influenced by the crisis, are expected to yield 450,000,000f., and increases in customs and excise duties 550,000,000f. Taking into account the unavoidable diminution in the produce of various existing taxes based on profits, and a grant in aid of 177,000,000f. to the Congo Colony, which formerly was self-supporting, the measures of economy and new taxation will balance the budget as follows:—

This is how the city (or financial) editor of the London Times reflects British financial opinion of Belgium's action:

"This commendable fiscal effort will enhance Belgian credit. There is little doubt that the Legislature will confirm the action of the government in balancing the budget. That the belga has for several weeks stood at a premium over the other gold exchanges shows the salutary effect which these sound fiscal measures have had upon the country's finances."

HOWARD SMITH PROFIT HIGHER BANK LOAN DOWN

Improves Position in Spite of Reduced Volume of Business

Howard Smith Paper Mills Ltd. had a higher operating profit in 1932 than in 1931 in spite of a smaller volume of business and lower prices. In addition the company had a profit of $146,310 on bonds redeemed and revenue from investments and miscellaneous sources at $42,266 was down by 10,600. Total revenue increased to 1,377,556 from $1,193,335. After deduction of fixed charges preferred shares earned $7.30 before providing for contingency reserve and adjustments. This compares with $1.39 per share earned in 1931.

Working capital position was improved although cash is down to $196,463 from $273,183. Accounts and notes receivable are down to $857,127 from $1,140,945 and inventories are down to $1,973,382 from $2,596,493. Bank loans of $2,351,804 at the end of 1931 have been reduced to $1,427,500 and accounts payable are down to $351,918 from $538,184. Working capital position is as follows:

Comparative Statement of Working Capital

	1932	1931
	$	$
Current assets	3,026,972	4,010,621
Current liabs.	1,995,598	3,065,049
Working capital	1,031,374	945,572
Ratio	1.50—1	1.30—1

Fixed assets are carried at $21,227,589 of which $18,773,065 is in land, buildings, plant and equipment. Reduction in the latter item during the year amounts to $1,044,779. Deferred liabilities total $443,613, substantially lower due to absence of $1,665,855 of notes payable Canada Paper Co. shown in 1931. Bonds of subsidiaries are shown at $2,566,300 and the 5½ per cent first mortgage bonds of Howard Smith Paper Mills Ltd. at $6,790,000 show a reduction of $210,000. Preferred stock of subsidiary companies outstanding remains at $2,290,700 and minority stockholders' equity in common stock and surpluses is up to $631,742 from $548,798.

SOO RAILWAY FINANCES ARRANGED FOR THIS YEAR

(Continued from page 1)

In 1909 through purchase of a majority of the common stock and control of a majority of the preferred stock and leased it for 99 years, agreeing to pay 4 per cent interest annually on $11,256,400 of leased-line certificates issued in exchange, share for share, for preferred stock of the Wisconsin Central. The preferred stock is held in trust to secure payment of the interest on the certificates.

Each year, the surplus or deficit resulting from operations of the Wisconsin Central property was credited or charged by the Soo railway to that company. The Soo was also liable in the amount of 232,640 annually under its guaranty of the payment of interest on Wisconsin Central Railway First and Refunding 4 per cent bonds of 1959 outstanding in the hands of the public.

By the end of 1931 approximately $5,000,000 had been advanced to the leased line, all of which represented charges for operating deficits and interest on bonds. In addition to these advances, the interest on the leased-line certificates represented a fixed obligation of the applicant amounting to $450,256 annually.

Receiver in Charge

Early in December last the Wisconsin Central Railway was placed in the hands of a receiver. The Soo is now under contract to operate the property as agent for the receiver, all operating deficits to be reimbursed to it from the proceeds of the sale of receiver's certificates, thus relieving the Soo line of the burden of the leased-line operating deficits.

Advances From C. P. R.

In 1931 the Soo was faced with financial difficulties and in January, 1932, the Canadian Pacific advanced its subsidiary $1,400,000, which amount was obtained by a loan of $900,000 from the National City Bank of New York and $500,000 from the First National Bank, Chicago, on the C. P. R.'s short term promissory notes.

R. F. C. Grants Aid

This advance enabled the company to meet January 1, 1932, interest on its consolidated mortgage bonds, but on the 25th of the following month the Reconstruction Finance Corp. granted the Soo two loans of $2,300,000—$1,814,000 maturing in one year and $486,000 in two years. Of the first loan the company received $1,709,130, of which $209,669 have been repaid, leaving $1,499,461 issued and repayable as follows: February 27, 1933, $974,461; April 28, 1933, $100,000; and June 10, 1933, $425,000.

Further aid was requested of the Reconstruction Finance Corp. on July 25 last. This time the Soo was given $5,000,000 advanced in two installments on July 29, 1932 and August 1, 1932. In return for this assistance the Soo pledged as collateral $6,250,000 first refunding Mortgage, 5½ per cent, series B; $1,750,000 of first mortgage bonds of the Clarkson Coal Mining Co.; $2,000,000 capital stock of the Central Terminal Railway; together with assignment of all rentals received by the terminal company for sub-leases of its properties.

During the past year the Soo deposited against this loan $112,265 of rentals and $17,000 to be used for the retirement of Clarkson Coal bonds. The R. F. C. applied $46,505 against interest, $57,168 against principal and the balance was held by a depositary.

Forecast for 1933

At the end of 1932 an examination was made of the company's position. It was concluded that if conditions stimulate the movement of the remainder of the 1932 crop during the early months of 1933, the Soo's earnings for the crop year ended July 1, 1933, should exceed those for the 1932 crop year, in which only 11,500,000 bushels of grain were moved.

On the basis of freight revenues approximately equal to those received in 1932 and passenger revenues $20,000 a month below those for that year, the company forecasts a deficit of $5,544,268 in net income during 1933. Taking into consideration the cash on hand at the beginning of this year and the cash requirements throughout the year under these conditions, the management forecast a cash shortage of $5,411,328 by the end of 1933 after payment of fixed charges.

Asks For Extension

The January statement of the Reconstruction Finance Corp. showed that loans of $6,843,082 had been made to the Soo railway up to that time. Of this amount $343,620 had been repaid, leaving outstanding $6,499,462.

Confronted with this situation the Soo management notified the R. F. C. that it would be unable to meet its notes and requested an extension of loans outstanding of $1,499,461 which matured February and June, 1933.

C. P. R. Again Assists

In its position as holding the majority of capital stock and guarantors of the majority of the Soo's funded debt, the Canadian Pacific has agreed to advance to its subsidiary during the first half of 1933 an amount of $5,500,000. During January the C. P. R. advanced $2,200,000 so that it still has $3,300,000 more to advance.

Defer Loan Maturity

The Reconstruction Finance Corp. has also contributed in helping the Soo line to meet its obligations by agreeing to extend loans of $1,499,461 for a further term not exceeding two years.

With the assistance thus granted by the Canadian Pacific and the Reconstruction Finance Corp. and provided that the management's forecasts are borne out by actual results, the Soo line is expected to be in a position to meet its obligations during 1933.

DR. McDOUGALD BLOCKS VOTE ON STOCK DEAL

(Continued from page 1)

Corp. satisfactory to the Government at Ottawa be appointed and take office."

A second stipulation was that "in the event of the non-fulfillment of the above conditions, the said shares so placed in trust will be returned to the owner."

These conditions have not been carried out, stated Dr. McDougald in his petition. In particular, he states, the Government has not passed an order-in-council which permits the Beauharnois development to proceed on properly authorized lines and, further no board of directors satisfactory to the Government has been appointed and taken office. Mention also is made the Government has passed an act rendering it impossible for the Beauharnois Power Corp. to finance and continue its development.

Wanted Stock Returned

Contract between himself and Mr. Wilson, Dr. McDougald states, is one of simple deposit, with a power attorney to do certain things. On February 28, 1932, Dr. McDougald cancelled the power of attorney and demanded the return of his shares but, he declared, Mr. Wilson refused to return them.

Dr. McDougald stated that a meeting of the Jacques Cartier Securities had been called for March 14, 1933, for the purpose of authorizing and sanctioning the surrender for cancellation of 80,000 Class A shares of the Beauharnois Power Corp. If the meeting were held and his shares voted, Dr. McDougald believed that he would suffer grave prejudice and for that reason asked for the injunction.

Significance of Move

Much significance attaches to the action of the Jacques Cartier Securities Co. in voting for the surrender and cancellation of 80,000 shares of Class A stock of Beauharnois Power Corp.

It will be recalled that following the enquiry by the Government into Beauharnois affairs, it was stated that a new order-in-council would not be issued until a change had been made in the board of directors and, further that the 80,000 shares of Class A Beauharnois stock given to the Sterling Industrial Corp. were surrendered for cancellation. The latter company was one organized by Dr. McDougald and R. A. C. Henry.

Sterling Industrial Corp. claimed certain prior rights which were taken over by Beauharnois on the payment of $200,000 in cash and a block of 80,000 shares of stock.

Following the enquiry changes were made in the personnel of the board of directors. The Jacques Cartier Securities Co. was formed about this time to hold a block of 80,000 shares of Beauharnois Power A stock. Dr. McDougald is understood to have contributed 30,000 shares to the pool, while the balance of 50,000 shares was made up from various sources.

Meantime Montreal Light, Heat and Power Consold. presented a plan for the reorganization of Beauharnois Power Corp., which has met with the approval of the bondholders committee.

Discrepancy in Shares

One of the features of this plan, which has yet to be approved by the bondholders and other interested groups, is that the common stock of Beauharnois Power Corp. would be reduced from 1,720,000 shares to 172,000 shares, or on the basis of 1 new share for 10 old shares.

Beauharnois Power Corp has issued 1,799,995 shares of common stock and 5 management shares, or a total of 1,800,000 shares. The difference between the amount of stock officially issued and the 1,720,000 which it is proposed to convert into new stock, is 80,000 shares or the amount held by the Jacques Cartier Securities Co. and which it was proposed to surrender for cancellation if the motion had been passed at a meeting scheduled for last Tuesday and since postponed as a result of the issuance of the injunction.

Had these share been surrendered and cancelled, one of the conditions imposed by the Dominion Government would have been met, namely, the assets of Sterling Industrial Corp. had no apparent intrinsic value and that 80,000 shares issued by Beauharnois for their purchase should be cancelled.

Prices Stumbling Block

Without the 30,000 Beauharnois shares deposited by Mr. McDougald, the Jacques Cartier Securities Co. had only 50,000 shares to vote for surrender and cancellation if the motion met the approval of the shareholders. This was of little value inasmuch as 80,000 shares had to be surrendered—a move which could not be accomplished without Dr. McDougald's block or replacement by a similar number of shares.

Until 80,000 shares of the issued Class A Beauharnois Power Corp. stock have been cancelled, it is unlikely that any plan of reorganization will meet with approval at Ottawa.

FORESEE RISE IN COMMODITY PRICE LEVELS

(Continued from page 1)

from financing budget deficits to financing business and use of commodities.

7. Achieved deflation of commodity values, and resultant lessened production in many lines.

8. Unfavorable crop developments in come commodities, such as wheat.

Factors Against Improvement

Against these favorable factors, must be weighed the following important influences tending to weaken commodity prices:

1. Reduced consumption and hand-to-mouth buying.

2. Large enough supplies of most commodities to fill ordinary requirements.

3. Lack of confidence of business in policy of making forward commitments and losses suffered through such purchases in the last four years.

4. Lack of improvement in general business conditions.

5. Announced intention of government to avoid inflationary policies.

6. Large potential productive capacity of industry and mining.

7. Unbalanced budgets of governments, as in Canada, France and U. S. A., diverting funds from financing of commerce.

8. High tariffs restricting trade.

9. Freezing of funds and hoarding of currency, as in U. S. A., restricting credit.

10. Elimination of short interests in commodity markets, through recent purchases.

11. Possibility of developing prosperity on lower price basis than formerly.

12. Foreign exchange risks changing commodity prices and undermining confidence.

13. In Canada, alleged substantial government holdings of wheat overhang market.

Difficult to Forecast

The difficulty with a consideration of the effects of the various factors is to give each its proper weight. It is impossible to make an accurate forecast of the future trend of commodity prices. The weight of opinion among Canadian buyers appears to favor the probability of higher commodity price levels in coming months, but the opposite opinion is also held.

As indicated in The Financial Post last week, buying of various types of goods in the United States has brought price increases. Prices in some textile lines have been advanced, but Dun & Bradstreet, Inc., report that some firms have not accepted orders at the higher prices because of their inability to cover raw material purchases on U. S. commodity markets. It is also reported that leading United States sugar refiners have been making sales on a quota basis to prevent hoarding. This was done in the face of higher sugar prices.

Services Favor Rise

Higher commodity prices are probable, according to the weight of opinion expressed by leading statistical services. The Brookmire Forecaster sees actual or prospective warfare as a potential influence for higher prices in the following expression of opinion:

"The influence of these disturbances (wars and revolts)—actual or prospective— is becoming strong enough in certain instances to justify actual consumers in accumulating stocks of certain commodities . . . it is to be noted that spot supplies are desirable rather than options for future delivery."

The Standard Statistics service, which has steadily advised hand to mouth buying for many months, is not optimistic about higher prices:

"As long as consumption of finished goods remains at a low ebb, there is little likelihood that an active demand will be created for raw materials. With business still confronted with numerous basic uncertainties, therefore, it is difficult to visualize any early marked and sustained upturn in the average of commodity prices."

The New York Annalist also expresses a doubt as to the permanence of the present rise:

"There is little in the position of the commodities themselves to justify an advance. A relapse of prices to pre-crisis levels is, therefore, a probable immediate cost of the prompt and effective facing of the U. S. banking situation."

Probability of higher commodity prices is favored by the following commentators:

McGill Commodity Service.—"There have been no new developments which warrant any change in our prediction that before the end of 1933 business and prices will rest on a favorably higher basis than is the case at the present dark hour."

National Sphere.—" . . . charts give a rather good indication that nothing in the nature of a vast and major upward movement is probable. But they also imply that considerable prosperity can be achieved without high prices . . . It will not be many months before commodity prices begin to rise . . ."

United Business Service.—"Outlook for . . . commodities . . . on the whole I'd rather be long than short. For many months past people have looked upon cash as the most desirable thing in the world. That attitude may change . . . now."

Babson Statistical Organization.—"We are now jumping one more hurdle . . . we have been taking these hurdles, one after another, and the passing of each one has advanced by one more step the return of better times. Most important of these hurdles, now in the background, include . . . liquidation of securities, commodities and wages . . ."

Dominion Coal Output Touches New Low Mark

From Our Own Correspondent

MONTREAL.—Output of the collieries of Dominion Coal Co. during February reached a new low record in the history of the company, with only 132,606 tons raised as compared with 138,629 tons in January and 161,339 tons in February last year.

Mines at North Sydney worked an average of four days a week during February and the collieries at Sydney Mines and Little Bras D'Or averaged two and three days respectively.

Brett-Treth. Shareholders Hear of Kenty Developments

At the annual meeting of Brett Trethewey Mines held in Toronto, March 14, F. L. Trethewey, president of the company, commented on the Kenty Gold Mines, in which his company has a substantial interest, as follows:

The first station in the No. 1 shaft had been cut at a depth of 125 feet, and that the first station in the No. 2 shaft should be cut next week. The intention is to sink both shafts to a depth of 500 feet. without doing any lateral work. On the completion of sinking, lateral work will be started on the 250 and 500 foot levels and crosscuts will connect both shafts. Mr. Trethewey intimated that it was unlikely any consideration would be given to mill construction this year.

Dr. J. B. Tyrrell, vice-president of the company said "he looked for the Kenty to be a low cost producer," which indicates that serious consideration is being given to production. He said the ore exposed on the surface showed an average width of about 7½ ft.

The existing board of directors were re-elected for the ensuing year.

Nicola Mines & Metals Acquires Planet Property

The Nicola Mines & Metals Co. has acquired the property of the defunct Planet Mines & Reduction Co. on the easterly side of Stump Lake, 23 miles from Nicola Station on the Kettle Valley Railway. There is a 100-ton daily capacity mill on the property which was operated by Planet. The failure to attain success was attributed to insufficient ore development before starting milling operations.

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Mar. 25	Caledonia	Belfast, Glasgow
Mar. 30	Ausonia	Ply., Havre, London
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86 Years Ago the first life insurance policy ever issued in Canada was written by the

Canada Life Assurance Company

THROUGH the ever changing conditions of 85 years — wars, epidemics, periods of financial stringency, panics and depressions, the Canada Life has steadily progressed.

The present period of financial readjustment dating from 1929 found this Company, as in the past, fully equipped to take care of the requirements of its policyholders and their beneficiaries.

During the past year not only were all demands taken care of from the ample resources of the Company, but the already large holdings of Government and Municipal bonds were increased by over 35%.

The first essential of life insurance is the building and the maintenance at all times of ample resources behind the policy contracts to provide against unforeseen eventualities. The record of Canada's oldest life insurance company over 85 years is the best evidence of its strict adherence to the principles of safety and stability at all times.

Policyholders and beneficiaries of the Canada Life remain confident and secure, during periodic financial disturbances, in the knowledge that the Company's well diversified list of investments takes care of such situations.

Canada Life Assets

The following table shows the diversification of the Company's assets as at 31st December, 1932, and indicates how the important balance between the various types of investment has been maintained.

Head Office: Toronto, Ont.

	% of total ledger assets
Cash, Government and Municipal Bonds (Canada, United States and Great Britain)	28.1%
Other Government Bonds	.6
Public Utility Bonds	10.3
Railroad Bonds	1.2
Other Corporation Bonds	4.4
Preferred Stocks	2.3
Stocks of Canadian Banks and Trust Companies	1.6
Other Common Stocks	.2
Mortgages	27.9
Policy Loans	18.3
Real Estate. (This includes the Company's buildings in Canada and London, England)	5.1
	100.0%

The Canada Life is Canada's Oldest Life Assurance Company

Established in 1847

Assets over $216,000,000

STEEL OF CANADA STATUS STRONGER END OF LAST YEAR

Cash Income Exceeds Cash Outgo for 1932

WORKING CAPITAL UP

Investments Have Larger Market Value — Volume of Business Smallest in Years

From Our Own Correspondent

MONTREAL.—Despite the fact that the volume of steel produced in Canada last year was less than in 1905, Steel of Canada's financial statement for 1932 reveals earnings sufficient to take care of senior charges with enough left over to take care of about one half of preferred dividend requirements. The statement, moreover, shows that working capital was increased during the twelve months being higher than any time in the last three years.

Manufacturing profits were off roughly 29 per cent from those reported in the previous year. Investment income recorded a slight improvement. The fact that cash income exceeded cash outgo is reflected in the strengthening of the net working capital position which registered an improvement of $103,689 during 1932.

Deficit After Charges

Particulars of the income account over the last three years follow:

	1932	1931	1930
	$	$	$
Mfg. prof.	1,435,873	2,058,653	3,219,009
Inv. inc.	398,939	365,818	358,459
Total	1,834,812	2,424,471	3,577,468
Sink. fund.	363,266	350,166	337,765
Balance	1,471,546	2,074,305	3,239,703
Deprec.	998,014	1,200,000	1,204,063
Balance	473,532	874,305	2,035,640
Bond int.	256,106	275,755	294,358
Net prof.	217,425	598,550	1,741,282
Pfd. divid.	454,741	454,741	454,741
Balance	*237,316	143,809	1,286,541
Com. divid.	805,000	805,000	805,000
Balance	*1,042,316	*661,191	481,541
Prev. surp.	13,796,086	14,502,444	14,020,902
Total	12,753,771	13,841,253	14,502,444
‡Retro. tax	......	45,165	......
P. & L. bal.	12,753,771	13,796,088	14,502,444

*Deficit.

‡Retroactive Dominion Government income tax and Ontario capital stock tax for 1930.

WORKING CAPITAL POSITION

	1932	1931	1930
	$	$	$
Curr. assets	14,914,141	15,220,909	15,209,676
Curr. liabs.	1,000,818	1,411,275	1,442,634
Work. cap.	13,913,323	13,809,634	13,767,042

Lower Funded Debt

Examination of the balance sheet at December 31 last shows total assets of $58,657,631, down from $59,167,233 at the end of the previous year. There is no change in capital stocks outstanding. Funded debt has been reduced from $4,438,115 to $4,098,615.

An item of $10,074 for bills payable, appearing in the 1931 report, has been eliminated. Accounts payable have been reduced by $400,000 to $682,328. Pension and employees welfare funds do not show any material changes.

Sinking fund on the bonds has been increased from $4,214,096 to $4,577,362.

Investments Are Up

Property account remained much the same at the end of 1932 as at the close of 1931. Investments in and advances to controlled companies, as well as holdings of the company's own bonds, do not show any material difference. Call loans have been cut from $309,000 to $85,000.

Steel of Canada's investments in bond and approved securities are shown on the books at $6,693,307, up from $5,685,718 a year ago. These holdings had a market value at the end of 1932 of $6,913,105; no credit for the appreciation in market value has been taken into profits for the year.

Find Surplus Coal

Accounts receivable are lower by $600,000 at $1,730,723. Inventories at $5,448,757 are only $40,000 less than in the year previous. This is explained in the report by the reference to the change in location of the coal stockpile to the storage yard at the new unloading dock at Hamilton, which disclosed a surplus tonnage above book figures. The resulting adjustment of inventory values also contributed to the profits of the year.

Comments on Operations

In reporting on the company's operations last year Ross H. McMaster, president, had the following to say in part:

"The declining rate of operations referred to in your directors' report of last year prevailed during 1932. Sales, production and prices all suffered from the seriously reduced demand for your products, which continued to decline throughout the year. Adverse exchange also affected the cost of raw materials and similarly added to the burden of bond interest.

"Every effort was made to cope with these conditions by reducing expenses and costs, in which connection all employees, both salaried and wage-earners, gave loyal co-operation, enabling your company to meet the difficult situation without greater losses than those indicated. Under the circumstances, the results may be regarded as reasonably satisfactory, particularly when it is realized that the production of steel in Canada declined below the level of 1905, a period when the Canadian steel industry was yet in its infancy.

"The position of your company was fortunately assisted by the sale of a much larger tonnage of coke freed for disposal as household fuel by reason of the reduced blast furnace operations. The change in location of the coal stockpile to the storage yard at the new unloading dock disclosed a surplus tonnage above book figures, and the resulting adjustment of inventory values also contributed to the profits of the year most opportunely.

"Notwithstanding the fact that your coal properties operated during the year under a restricted load, the cost of coal was again reduced. The almost universal shutdown of mines in the ore regions, due to the very much reduced demand, affected operations and costs of iron ore adversely."

Minimum Wage Board Nears Finish of Task

From Our Own Correspondent

MONTREAL.—With settlement of a wage scale of women employees among the pastry, confectionery, chocolate and macaroni manufacturers, the Minimum Wage Board of Quebec has nearly completed its work of bringing uniformity in the matter of women's wages paid in the province. The board has been operating for the last five years and has covered much ground; now the restaurant trade only remains to be considered among industries employing women to any extent.

Revision of the latest schedule will be possible following the year's experience in the various trades affected by this last agreement, which has been arrived at, as in other settlements, by representatives of employers, employees, and the general public.

Improving Package Gives Boost to Sales

Fear of Re-packaging Unnecessary if Change is Made Carefully — Principal Reasons for Changing Package Itemized

Changing the package can increase sales of a product . . . if it's done properly. Change should not be considered an end in itself, however. "Unless there is a definite reason for changing a package design, leave it alone," is the advice of a leading designer of packages.

Fear of changing the package is one of the foremost obstacles encountered by package designers. Some manufacturers, through fear, sometimes expressed as reverence for tradition, refuse to change packages . . . often to their own detriment. The manufacturer who insists on sticking to a crude, out-of-date appeal to the buyer in the form of an old-fashioned, unattractive package may only be fooling himself. Re-packaging need not be feared if it is done by experts and properly introduced.

A package designer recently pointed out to The Financial Post that business gained through re-packaging was not usually new business. He claimed that there was only a certain amount of business available, and that the firm which gained sales through re-packaging was doing so largely at the expense of competitors.

Fear Overcome

The re-packaging of Lifebuoy soap many years ago is an example of the overcoming of fear of change. Readers may remember the picture of the sailor with the lifebuoy on the old package. The present package is the essence of prominence and simplicity. When the new package was first considered, executives of the company thought it would not sell because of public unfamiliarity with it. Six months were spent in weighing the question. At the end of that time, one million of the new packages were sent out to the trade . . . with great success. The new package has been used ever since.

Sales often do advance with a change in packages. The Great Atlantic and Pacific Tea Co. changed its sparkle gelatine package over two years ago. The old package was in five colors. The new was in two only. The old was designed with somewhat antiquated curlicues, and had been in use for many years. The new was in a smart geometric design with simple, distinctive and legible type. After the change the newly packaged gelatine outsold the old package 2½ times in the first six months of 1931. This is a good example of the stimulus and new interest created by a new package. It was economical because of less expensive printing through use of fewer colors. A better design can often be obtained at less cost.

Use of Cellophane

Examples of increased sales through use of Cellophane wrapping are legion. Some of the increases are amazing. Cellophane in many cases, is a straight cost item in the package, but this increased cost is less than one per cent of the cost of the product, and only small increases in sales are necessary to compensate for it.

In re-designing a package, the first thing to decide is what the new package must do. A re-designing artist cannot determine this alone. Sales executives, advertising men, managers, as well as the designer can offer valuable suggestions. Most package manufacturers are glad to give expert advice, and maintain their own research departments to handle such problems. There are also firms which make a specialty of nothing but re-packaging.

Before changing a package it is worth while testing consumer preference to see if a change is desirable. Then the package should be carefully planned to avoid mistakes in design. It should offer utility and be capable of withstanding competitive display. The new package should harmonize with the product, and interpret it in the consumer's language.

Major reasons for a change of package should all be considered. These would include:

Major Reasons for Change

Need to establish a "family" resemblance, and help to stimulate group purchases within the family. This is valuable in increasing sales of a newcomer to a line, by borrowing goodwill from other products; selling the newcomer on the old timer's reputation.

Improvement in construction to aid the consumer in use of the package.

To conform with new buying habits, such as new units of sale.

To widen the market to include new class of retail outlets.

To meet new uses for the product, in conformance with modern modes of living, or marketing a staple as a gift item.

A radical improvement in manufacture and refinement of the product to stop or beat competition.

To use the package as the keynote for a new, intensive and dominating advertising campaign; especially when the product has not been advertised extensively for some time.

To intensify former package personality by a process of simplification and improvement of design, balance and color harmony.

To conform with a change in merchandising, such as the enlargement of a line, a change in the retail price, use of new type of outlets, etc.

Should Survey Market

The potential market should be carefully surveyed before accepting a new package design. The major sales points of the product should be dominating in the new package. The package should be suitable for its field. A designer recently illustrated to The Financial Post just what this suitable factor means. A maker of motor polish had his product put up in a neat new bottle. He had a dinky little label placed on the bottle — off centre. A most artistic effect. In fact when the average man saw the bottle, he would immediately think it contained ladies' nail polish. No garage man would offer it enthusiastically to a male customer. In this case the artist had done a handsome job, but one entirely unsuited to the article.

Thus the package must not only be suited to the product, but to the retail outlet, whether it is drug, grocery, hardware, garage, etc. It should perhaps be suited for display purposes.

Some valuable information can be obtained by studying the results of competitors' experiences with package changes. Imitation should, however, be avoided. Paying too much attention to the current mode, except where this is the primary purpose of the package, is often a disadvantage.

Other Factors

The use for the package should also be studied; whether it is for kitchen, office, bathroom, drawing room or for gift purposes. The exploitation of the new package is an important consideration. If it is not to be advertised, it must attempt to do its own advertising as best it can.

In style, a new package should dominate its field, but caution should not be abandoned. In the new design the best elements of value in the old package may be retained to advantage. Too radical a change in the package of a slightly advertised product may result in loss of goodwill.

The cost allowable per package is, of course, a prime consideration. In conjunction with this, the packaging equipment of a plant must also be taken into account, but need not prevent valuable changes.

The shape and color of a new package is a vital matter. The psychological laws governing sight should rule supreme in this. Use should not be made of conflicting colors to attract attention. A pleasing visual sensation has been proved better. Color may be used to create the impression of size; greater size for some foods, smaller size for a rare perfume, for example. This need not be considered immoral. It is merely a legitimate appeal to the buyers' emotions, which a competitor may use if you don't. Because of the anatomical construction of the eye, which allows greater scope of horizontal than vertical vision, squat, broad packages are better than high, narrow ones. In toilet articles, the odd shape and color of the package often make sales, and constitute the success of the package.

General Design

In general design, the package should be associated with the product. Simplicity is best because it gets the idea to the customer quicker. The large red tomato on a can of this fruit instantly interprets the contents to the buyer. The brand name of the product is the factor of primary importance in design. Canadian Canners' Aylmer brands of canned goods illustrate these sound principles. The type used on the package should be simple, legible and distinctive, but not freak, unless, as mentioned above, regular changes in the package style are part of its sales appeal.

The opportunities for re-design of packages are countless. The reader can probably name a number of products which could be made more saleable by this means. There are some prominent products on the market packaged in harsh colors, the package plastered with factory symbols, and covered with slogans, testimonials, and directions. Despite these shortcomings some such packages are used in widely advertised and successfully sold products. The tremendous power of advertising has been able to sell the goods even though handicapped with a distinctly bad package. This does not mean that re-packaging is unnecessary. But it can be contended with good reason, that the sales gained through advertising would be even more satisfactory if the product were attractively packaged.

Co-operation in sales is important. Fair treatment of retail dealers, and aid furnished to them, often gain their help in pushing sales of a line. Attractive packaging often gets an unsolicited sales co-operation. The well packaged article, which is frequently easier to sell on this account, is the article which dealers will push for sale because it is easier to do so. It gets results . . . and profits . . . for them.

Editor's Note—This is the first of several articles on re-packaging as a sales stimulant. The next article will follow in an early issue of The Financial Post.

ACADIA TRUST HAS STRONG POSITION

Earned 27.6 p.c. on Capital—Increased Business — Assets Liquid

Acadia Trust Co., Truro, N.S., maintained earnings in the year ended November 30, 1932, with reserves slightly higher at $78,679 and expenses at $23,439. The company earned 27.61 per cent on capital of $200,000 as compared with 27.80 per cent earned in 1931. Dividends were continued at the rate of 10 per cent. Surplus, carried forward was increased to $85,538 from $50,299.

Estates, trust and agency account was increased to $5,733,350 from $5,034,003. In capital account the company increased assets to $792,898 from $757,649. In capital assets are included government and provincial bonds at $526,301, municipal bonds at $116,704, mortgages at $127,801 and cash of $17,733. No increase was made in reserve account which stands at $500,000, having been increased by $100,000 in 1931. The company recently moved into new and modern premises.

Record of the company since 1928 is as follows:

Earnings Record

Year	Paid-up Capital	Net Profits	Div. Rate	Rate Earned
	$	$		$
1928	200,000	41,067	8	20.53
1929	200,000	44,583	8	22.29
1930	200,000	48,324	8	24.16
1931	200,000	55,619	10	27.80
1932	200,000	55,239	10	27.61

TAMBLYN DRUG IMPROVES CASH, PROFIT LOWER

Common Shares Earn $3.48—Surplus Increased by $97,580 to $592,281

Operating profit of G. Tamblyn Ltd. dropped to $215,929 in 1932 from $266,564 in 1931 when this chain drug store company had peak sales and profits. Interest paid was slightly lower but otherwise fixed charges showed little change and, after paying full dividends of 7 per cent on preferred shares, earnings amounted to $3.48 per share on the 28,000 shares of no par common outstanding as against $5.08 per share in 1931. Since no dividends have been paid on the common shares to date surplus was further strengthened and working capital was higher.

Owing to purchase of 327 preferred shares in anticipation of sinking fund requirements, preferred dividends paid amounted to less than in 1931. Income and surplus account for the past two years is as follows:

Income & Surplus Account, Years Ended Dec. 31

	1932	1931
	$	$
Net earnings	215,929	266,564
Less: Interest	5,825	10,825
Depreciation	55,101	53,333
Income tax prov.	19,581	19,587
Net profit	135,422	182,819
Less: Pfd. divds.	37,842	40,649
Surplus for year	97,580	142,170
Add: Prev. surplus	494,701	356,116
Less: Addit. inc. tax	......	3,585
Surplus forward	592,281	494,701

Cash position of the company was improved with cash up to $86,057 from $77.650 and investment in Dominion of Canada bonds at market value up to $76,900 from $9,900. Inventories were reduced to $658,781 from $761,486. Accounts and bills payable were reduced to $262,852 from $311,509, and reserve for federal income tax is down to $19,623 from $23,173. Working capital position is as follows:

Working Capital at Dec. 31

	1932	1931
	$	$
Current assets	824,821	859,850
Current liabilities	291,935	344,844
Working capital	532,886	514,006

Fixed assets are shown at gross book value of $862,182, and after deduction of depreciation reserves totalling $185,008 are carried at net book value of $677,174. Goodwill remains at $150,000. Mortgages payable have been reduced to $95,000 from $147,600. There are now outstanding 5,059 shares of $100 par value preferred stock.

CAN. CELANESE EARNS DIVIDEND ON PREFERRED

Increased Provision for Reserves Lower Net Profits

From Our Own Correspondent

MONTREAL. — Improvement in earnings and working capital and lower net profits are revealed in the financial statement of Canadian Celanese, Ltd. for 1932. Operating profit was $1,301,190 compared with $1,260,449 in the previous year. After increased provision for depreciation, taxes, and contingency reserve, net profits were $718,881 against $805,165 in 1931.

Profits were equal to $7.98 a share on the preferred stock, while in the previous year preferred share earnings were $8.94. After payment of regular dividends at 7 per cent and a 1 per cent payment on account of dividend arrears, there was a deficit of $1,119 for the year.

Profit And Loss

Following is a comparison of profit and loss for the past two years:

	1932	1931
	$	$
Oper. profit	1,301,190	1,260,449
Deprec.	265,979	241,993
Taxes, etc.	216,052	135,679
Cont. Res.	100,277	77,612
Net profits	718,881	805,164
Pfd. div.	630,000	630,000
	88,881	175,164
Div. arrears	90,000	......
Surplus	*1,119	175,164
‡Prev. surp.	1,724,568	1,705,313
	1,723,449	1,880,477
Spec. res.	......	150,000
P. & L. Bal.	1,723,449	1,730,447

Note:—(†) Includes depreciation, taxes and other charges.

‡—After adjustment for prior years.

(*)—Debit.

	1932	1931
	$	$
Working Capital:		
Curr. assets	3,293,885	3,306,695
Curr. liab.	249,446	303,418
Work. cap.	3,043,939	3,003,277

Balance sheet shows cash down $101,000 at $295,056, accounts receivable up $25,000 at $405,567 and inventories slightly lower at $1,321,641. Bonds and stocks at cost are carried at $1,271,120, an increase of $121,000. Auditors point out that the special reserve of $150,000 is considered adequate to provide for the decline in market value of securities. Additions to plant are reflected in an increase of $233,000 in fixed assets which are carried at $9,728,321.

Liabilities indicate an increase of $67,000 in accounts payable which amount to $249,446. Former notes payable of $120,480 have been eliminated from the balance sheet. Depreciation reserve is higher by $265,000 at $826,255 and contingency reserve is up $29,000 at $129,082. Special reserve is unchanged at $150,000. At the end of the year there were dividend arrears of 28.75 a share on the $9,000,000 of preferred stock outstanding, compared with arrears of $29.75 at the end of 1931.

Huron & Erie Reduces Dividend Rate by 1 p.c.

The annual dividend rate of Huron & Erie Mortgage Corp. has been reduced from 8 per cent to 7 per cent on the $100 par value stock with the declaration of a quarterly dividend of $1.75 payable April 1 to shareholders of record March 15.

The company has paid dividends at the rate of 8 per cent since 1928. The stock was on a regular dividend basis of 7 per cent from 1922 to 1927 inclusive although bonuses of 50 cents a share were given in 1924, 1925, and 1926. The company has had a continuous record of dividend payments since 1891.

Can. Financiers Trust Is Being Reorganized

Canadian Financiers Trust Co. is discontinuing its trust business and will be re-organized as Canadian Financiers Vancouver Ltd. which will carry on activities as an investment company and general financial agency. Capital will be written down from $5,000,000 to $2,000,000. The company's trust account will be taken over by one of the other trust companies.

Ottawa Hopes for Relief From Exchange on Dollar

Budget Postponed Until Passing of U. S. Banking Crisis Gives Clue to Exchange Trend

From Our Own Correspondent

OTTAWA—The real reason for the government's decision to delay the budget until next week lies in the uncertain financial condition of the United States. The government desires to have accurate information upon the probable course of events south of the border before definitely announcing its financial programme for the new fiscal year.

Any radical change in exchange rates might profoundly affect Federal finances. If the Canadian and United States dollars approach parity—and there is a strong body of opinion here that believes they will—the burden of debt payments will be lightened. Having regard to the fact that the Dominion is maintaining the credit of the provinces, such a change might lift more than $20,000,000 from Mr. Rhodes' shoulders; might persuade the cabinet to attempt the balancing of the Federal budget, apart from the National Railways deficit.

Seek Blanket Powers

But even with the announcement of the financial set up for the new year, the government will take no chances upon being caught with a situation beyond the power of the government to meet. The Unemployment Relief act extension bill will be amended in order to give the ministry blanket powers to act in an emergency. It will be recalled that under precisely similar powers, the cabinet maintained Federal jurisdiction over insurance in the autumn of 1931. The blanket power section, however, was dropped in 1932.

The delay in the budget has given business interests an opportunity of making representations to Mr. Rhodes with regard to taxation increases. It is apparent that many business firms are opposed to the elimination or curtailment of existing exemptions under the sales tax. They would prefer to have the flat rate of the tax stepped up from 6 to 8 per cent, leaving the exemptions as they presently stand. The cabinet is understood to have considered this proposal very carefully and to have decided against it. It is regarded as practically certain that the exemptions will be cut down.

The reason for the decision is understood to be that the government believes 6 per cent the point of maximum yield and that to increase the tax to 8 per cent would have a strangling effect upon domestic trade. As a matter of fact, the late Hon. W. S. Fielding found 6 per cent too high for a sales tax, and after a brief experience of it at this level, he reduced the tax and justified the reduction on the ground that it would bring more revenue.

MONTREAL BROKERS' LOANS ARE REDUCED

Borrowings at March 2 Near All-time Low Mark

From Our Own Correspondent

MONTREAL.—Loans on securities to member firms of the Montreal Stock Exchange totalled $13,431,614 on March 2, compared with $13,606,351 on February 2, a decrease of $174,737, according to the monthly report recently made public. Figures do not include loans on foreign securities but only borrowings of members of the exchange on Canadian securities and not those of other exchanges in Canada.

The current level of loans compares with approximately $55,000,000 on October 3, 1931, when the total was first made public. In the fourteen monthly totals published since that time, only two gains have been recorded, namely, in the months of September and October, 1932.

Loan figures as issued by the Montreal Stock Exchange are as follows:

—1931—	
October 3	$54,991,145
—1932—	
March 4	25,573,685
April 7	22,758,561
May 5	18,922,577
June 2	15,139,386
July 7	13,865,523
August 4	13,020,454
September 1	13,774,017
October 6	14,115,852
November 3	13,995,031
December 1	13,817,709
—1933—	
January 5	13,796,061
February 2	13,606,351
March 2	13,431,614

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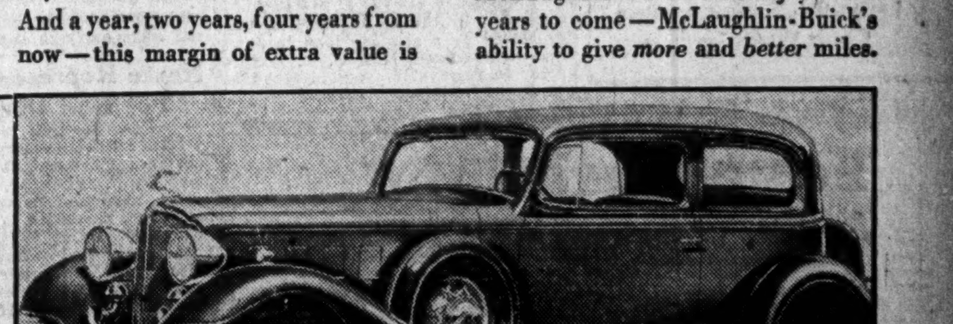

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Utilities and Transportation

WINNIPEG ELEC. BILL MAY MEET STIFF ATTACKS

But Conference Arranged for This Week May Help

From Our Own Correspondent

WINNIPEG.—The situation between the Winnipeg Electric Co. and the city of Winnipeg has entered upon a new phase, with the city council and the company agreeing to an informal conference to be held this week, at the instigation of W. R. Cottingham, chairman of the Public Utilities Commission.

Object of the conference is set forth by Mr. Cottingham as an agreement upon some temporary measure which will permit the whole matter of public transportation to receive more leisurely and detached consideration, and also the withdrawal of the company's bill for relief, now before the legislature.

The big privately owned company unable to get the city of Winnipeg to give it relief from the tax imposed on gross earnings, and from charges for paving and for snow removal, appealed last year to the provincial legislature for relief, to amend the terms of its charter. The legislature referred the whole subject to the provincial public utilities commission, which recently presented a report bearing out the company's contentions that these charges are no longer equitable, and should be abolished in order to enable proper street car service to be maintained. At the same time the commission suggested an alternative set-up which would mean the creation of a metropolitan transportation commission, which would pay a flat rental to the company for its lines, and would be free to make such charges for services as seemed likely to produce the greatest amount of business and consequently of operating revenue.

There is an inclination among the majority of the members of the legislature to regard the transportation problem in Winnipeg as something to be settled directly between the city and the company. Should the failure to reach an equitable agreement result in a break-down of service within the city, the responsibility would still remain with the city, and not with them.

A mass meeting of citizens was organized by the city council last Friday night, and several thousand citizens turned out and joined in a protest against legislative interference in the dispute between the city and the company. At the meeting it was insisted that the street railway problem could not be settled without also considering the light and power business of the company. It was claimed that the company has tied itself up to contracts to give suburban transportation service that is unremunerative, in order to secure the light and power business of those communities, which otherwise might have gone to the Winnipeg City Hydro. In addition, attention was called to the fact that the city, on its part, has a contract with the company from the burden of which it would now like to be relieved, for it is buying power to the extent of $450,000 annually, which it would now be able to supply from its own resources.

PROGRESS

The 1932 Annual Statement of Canada Northern Power Corporation Limited, now available upon request, shows continued gains in gross and net earnings. Annual interest requirements, plus premium on New York funds, earned 2.48 times.

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Dalhousie Mill On Part-time Basis

From Our Own Correspondent

MONTREAL.—Present limited operations in the Canadian newsprint industry are evidenced by the experience of the New Brunswick International Paper mill at Dalhousie. This company is controlled by Canadian International Paper, which in turn is controlled by International Paper and Power Co.

During the first half of last year the Dalhousie mill operated at capacity and for the last six months at half of capacity. Since the beginning of the year the plant has been running at roughly 25 per cent of rating. This plant has an installed capacity of 500 tons and was brought into operation only a few years back. It constituted part of a large development scheme, which included, aside from the pulp and paper mill, the construction of an 80,000 h.p. plant at Grand Falls for the necessary supply of electrical energy.

CANADIAN POWER AND PAPER TRUST RECORDS DECLINE

Earnings Are Restricted and Equity Behind Bonds Drops

From Our Own Correspondent

MONTREAL.—Continued decline in the value of investment holdings and a further restriction in income are reported by Canadian Power & Paper Investments for the past year.

At the beginning of 1932 the company had investments of a market value of $5,501,529 against which there was a bank loan of $1,812,283. At the end of the year investment market values had shrunk to $2,875,000, while bank loans had been cut by $600,000 to $1,193,790.

Consequent upon the shrinkage in investment values, equity back of the company's $2,400,000 of debentures has dropped to about $710 for each $1,000 face value of debentures, thus eliminating any equity for the preferred or common shareholders.

Gross Revenues Smaller

Gross revenues of the company last year amounted to $209,548. Against this were debited interest on loans and debentures of $241,000, while the net loss on sale of securities amounted to $298,395. Particulars of the income account for the past two years follow:

	1932 $	1931 $
Cash Revenue	209,549	336,941
Profits realized	......	2,822
Total Income	209,549	334,119
Less:		
Expenses	7,928	23,101
Int. on loans	103,527	103,460
Int. on Debent.	138,885	122,917
Taxes	......	620
Loss on Sec. Sold	298,396	......
Balance	*339,187	84,021
Less:		
Pfd. dvds.	......	104,167
Surplus	*339,187	*20,146
Brought Forward	†559,370	†579,597
Carried Forward	220,183	559,451

* Deficit.
† Adjusted.

Values Show Shrinkage

Book value of assets of Canadian Power and Paper Investments at the close of 1932 was $7,322,740. Investments are carried at $7,241,703, or roughly $1,000,000 less than in the previous year. Market value of the company's holdings on December 31 last was $2,875,040.

Among liabilities the company shows a drop in bank loans from $1,812,282 to $1.193,790. As security for these loans, the company has put up with the banks $1,629,686 of securities.

Current liabilities are much the same as in 1931, consisting principally of accrued interest and accounts payable, totalling in all about $58,700.

There has been no change in the outstanding funded debt, preferred or common stocks.

Jamaica Service Profit Shows Slight Decline

From Our Own Correspondent

MONTREAL. — Gross earnings of Jamaica Public Service Ltd. in January were $70,400, a decrease of $3,000 from the same month last year. Expenses were reduced and net operating revenue was down $1,654 at $30,796. After interest and amortization, surplus was $21.502 compared with $23,150 in January, 1932.

Balance sheet at the end of last January shows cash down $124,703 at $135,604, accounts receivable marginally lower at $118,612 and inventories practically unchanged at $114,714. Reacquired bonds were higher by $11,000 at $30,000; fixed assets totalled $3,950.328 an increase of $55,843.

Noteworthy in liabilities is liquidation of notes payable which totalled $141,133 at the end of January, 1932. Retirement reserve is up $81,254 at $394,766. Reserve for exchange shows a gain of $18,000 at $60,532. Figures are converted from £ sterling at $4.86 2/3 to the £. Conversion was protected by a sterling loan in Jamaica transferred into U. S. dollars prior to removal from gold standard by Great Britain.

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CANADA NORTHERN SHARE PROFITS UP DURING PAST YEAR

Larger Output and Gain in Customers Shown in Report

From Our Own Correspondent

MONTREAL.—Increase in number of customers and power sales enabled Canada Northern Power Co., controlled by Power Corp. of Canada, to do what few utilities were able to accomplish in 1932—report an increase in earnings available for distribution on capital stock.

During the past year Canada Northern recorded a power output of 441,150,290 kw.h. as compared with the previous record of 418,226,810 kw.h. established in 1931. The number of customers served increased from 11,407 to 12,516.

Gross Income Higher

Gross income for 1932 amounted to $3,456,772, an increase of about $115,000 over the previous year. After reduction of prior charges, including payment of $88,950 for the purchase of U. S. funds to cover bond interest requirements, the balance available for the common stock was equivalent to 91 cents a share as against 76 cents a share.

The financial showing for 1933 may not be as good owing to the initiation in May of a sinking fund of 1 per cent of the value of bonds outstanding. Up to that date the trust deed has not required the establishment of a sinking fund to retire the bonded debt.

Surplus Carried Forward

Details of the income account for the past two years follow:

	1932 $	1931 $
Gross Income	3,456,772	3,341,964
Oper. Expense	1,067,691	1,061,860
Net earnings	2,389,081	2,280,104
Less:		
Bad Debts	4,141	9,031
Depreciation	600,000	600,000
Dvds. Min. Stock	99,201	101,171
Net Profits	1,685,739	1,569,902
Less:		
Bond Interest	960,189	902,302
Min. Interest	*128	*1,974
Net Income	725,678	669,574
Less:		
Pfd. Dividends	385,000	385,000
Com. dividends	300,000	300,000
Balance	40,678	**15,426
Brought Forward	°1,337,393	°1,355,021
Carried Forward	1,378,071	1,339,595

* Loss.
° Adjusted.
** Deficit.

Working Capital:

	1932 $	1931 $
Curr. Assets	678,344	723,982
Curr. Liabilities	754,566	731,896
Net Work. Capital	*76,222	*7,914

* Excess of current liabilities over current assets.

Show New Investments

Lack of improvement in working capital position is explained in part by a new item in the balance sheet—investments at cost value of $361,660. No details of these investments, other than they are in "outside securities," are available.

The balance sheet shows total assets of $35,335,104 up from $34,725,388 at the close of 1931. Plant investment records an increase of around $350,000 to $34,195,845. Call loans of $65,297 appearing in the 1931 statement have been eliminated, while cash on hand has increased from $26,575 to $52,352.

Accounts receivable and inventories remain much the same as a year ago, while deferred charges have been reduced from $135,809 to $99,253.

No changes have taken place in capital account. The amount paid in by subscribers to capital stock stood at $84,965 at the end of 1932 as against $110,182 a year ago.

Growth of Territory

In his report to the shareholders A. J. Nesbitt, president, had the following to say in part:

"The demand for power for the mines continues to grow, owing to the expansion in the scope of operations at the mines of the Kirkland Lake, Porcupine and Noranda-Rouyn districts, augmented by the growth in the domestic demand in the towns served by your company. This is clearly shown by the increase in the number of customers on our lines, which has grown from 11,407 at the end of 1931 to 12,516 on December 31, 1932, a gain of 1,109 during the year.

"The year 1932 has been marked by the construction of another 110,000 volt transmission line from Provencher switching station in Boischatel Township, Quebec, to Kirkland Lake. By placing in service of this line, the Kirkland Lake Camp is now supplied with power over five transmission lines, thus greatly adding to the safeguards ensuring perfect service.

Build Another Line

"Connection was also made in early part of the year between our Quinze-Schumacher 110,000 volt line and the Matachewan gold area, by construction of a 12,000 volt line from High Falls to the property of Ashley Gold Mines, operated by Mining Corporation of Canada. This extension entailed the construction of a substation at High Falls.

"In March, 1932, power was turned on at the Ashley Gold Mines in the Matachewan area, thus adding a new mining camp to those served by your company. This property became a gold producer on completion of the mill in September.

"In Quebec, Granada Gold Mines also commenced to utilize power from our lines early in the year."

Name Representatives For Rail Dispute Board

From Our Own Correspondent

MONTREAL.—George C. McDonald, chartered accountant in Montreal, and W. F. O'Connor, lawyer of Toronto, have been named as representatives on the board to investigate the proposed cut of 20 per cent in the basic wage scale of railwaymen. Mr. MacDonald will represent the rail companies and Mr. O'Connor will represent the men. If these two can agree on a chairman, the board will be complete. Otherwise he will be chosen by Hon. Wesley Gordon, Minister of Labor. The board is known as a board of conciliation and investigation under the Industrial Disputes Act.

For the past year railwaymen's wages have represented a deduction of 10 per cent from the pay roll. Companies now propose to cut the basic wages 20 per cent. The men were ready to continue the 10 per cent deduction but opposed a 20 per cent cut and objected to a change in the basic wage scale.

St. Hubert Airport Traffic

Air traffic at the St. Hubert air field, near Montreal showed a substantial increase in 1932 over the preceding year in the number of planes arriving and departing, the number of passengers carried and the amount of baggage, freight and mail loaded and unloaded.

C. S. L. OPERATIONS DURING PAST YEAR RESULT IN DEFICIT

Weakened Financial Status Reflected in Report for 1932

From Our Own Correspondent

MONTREAL. — Sudden collapse in the water-borne grain movement during September last impaired Canada Steamship Lines earning power, operating profits amounting to slightly better than a third of those reported in 1931, while after all charges the income account registered a deficit of $2,186,226 as against a deficit of $1,310,462 in 1931.

Not only was there no improvement in earnings, but the balance sheet position indicates further weakening, working capital deficit amounting to nearly $2,500,000. This situation is reflected in the recent notice by the company asking for concessions from the debenture stock holders in the form of relief from complying with the sinking fund requirements.

Business Volume Less

Total freight traffic handled by the company last year amounted to 4,267,000 tons, a decrease of 492,500 tons from the previous year. The number of passengers carried on the company's boats was 514,000, a decrease of 118,000 after eliminating the Montreal-Longueuil ferry service, now discontinued.

Particulars of the income account follow:

	1932 $	1931 $	1930 $
Tot. rev.	8,069,796	9,558,809	11,547,062
Exp.	7,508,582	8,091,135	9,381,896
Op. prof.	561,214	1,467,673	2,165,166
Deduct:			
Bond int.	1,176,662	1,398,218	1,449,185
Oth. int.	197,514	......	......
Bond disc.	117,575	117,575	117,576
Deprec.	1,255,686	1,262,339	1,256,197
Net profit	*2,186,226	*1,310,462	*657,792
Pfd. div.	......	......	450,000
Surplus	*2,186,226	*1,310,462	*1,107,792
Prev. bal.	*597,267	713.194	1,820,986
P. & L. bal.	*2,783,493	*597,268	713,194

*Deficit.

WORKING CAPITAL POSITION

	1932 $	1931 $	1930 $
Curr. assets	1,991,190	2,528,239	4,077,393
Curr. liabs.	4,424,021	4,364,309	5,922,894
Work. cap.	*2,432,831	*1.836,070	*1,845,501

*Excess of current liabilities over current assets.

Sinking Fund Problems

Difficulties confronting the company are evidenced by the problems raised in complying with funded debt requirements. The sinking fund on the debenture stock retired $145,945 as at February 15, 1932. An additional block of $83,092 was purchased for retirement purposes but was not used as the sinking fund payment due August 15, 1932, in amount of $361,459 was withheld.

A meeting of the debenture stockholders has been called for March 22, 1933, for the purpose of passing on a resolution relieving the company of the sinking fund provisions of the trust deed.

Sinking fund requirements on the general mortgage bonds were met by transfer of $118,000 from special reserve fund.

Kingston Elevator bonds were reduced by $48,000 through the sinking fund operation to $1,457,000.

The total of funded debt at the end of 1932 was $21,273,119, as against $21,663.157 a year ago. These bonds, in the aggregate, were redeemed at a discount which shows up in an increase in surplus arising from purchase of bonds from $83,736 to $139,236.

Bank Loans Larger

Bank loans have increased from $2,750,000 to $3,050,000. The preference stock at the end of the last year was in arrears of dividends of $2,250,000 compared with $1,350,000 at the close of 1931. During the year the company retired $40,000 of notes. The value of fixed assets, after taking depreciation into account, stood at $38,166,091 in 1932 compared with $39,802,962 in 1931. Current assets shrunk from $2,528,239 to $1,991,190, due principally to lower inventories and smaller cash balance.

Fund is Absorbed

In the 1931 report an insurance investment fund of $120,589 was shown. This does not appear in the 1932 statement, nor is any reference made to it. It is assumed that this fund went into the income account, or that the fund held the company's own general mortgage bonds which were used to meet sinking fund requirements of $118,000.

Investments, less reserve, show a moderate increase at $202,576. Prepaid expenses have dropped from $238,653 to $187,389.

Bond discount and expenses is shown on the books at $1,158,588, while the surplus account shows a deficit of $2,783,492

To Protect Employer Under Workmen's Act

From Our Own Correspondent

MONTREAL. — Legislation decreeing that workmen falling under the Quebec Workmen's Compensation Act will have no recourse to common law in the event of industrial accidents but will be compensated under the terms of the Labor Act, will be brought down during the present session of the Quebec Legislature. Manufacturers have represented to the government that while the Act provides that workers in case of industrial accidents will be compensated by the commission, some firms, while contributing to the upkeep of the commission, are being sued under common law by workers.

Following action before the Superior Court in regard to the constitutionality of the Workmen's Compensation Act and the legal status of the commission, a number of actions have been taken by workers against their employers under common law. The Superior Court, in the case involving the constitutionality of the Act, ruled that the Act was ultra vires. Recently, however, the Court of Appeals reversed this judgment and upheld the legality of the Act and of the commission.

Public Utility Earnings

Can. Western Natural Gas

	1932 $	1933 $	Increase $
January	262,102	296,751	34,649
February	226,842	338,591	111,749
March	232,102	287,945	55,843
April	214,889	205,967	*8,922
May	124,260	126,078	1,818
June	84,419	85,155	736
July	67,405	58,586	*8,819
August	59,367	55,502	*3,865
September	80,883	74,297	*6,586
October	121,074	125,738	4,664
November	204,925	221,176	16,251
December	274,213	275,248	1,035
Aggr. fr. Jan. 1 to Dec. 31	1,952,481	2,151,034	198,553

* Decrease.

MONTREAL POWER WIDENS MARKET OFF PEAK LOAD

Two Electric Boilers Installed — Capacity 7,500 kw.

From Our Own Correspondent

MONTREAL.—Further utilization of Montreal Power's off-peak load is seen in installation of electric boilers by Canadian Car and Foundry Co. at its Turcot works and by Ste. Justine Hospital. The Canadian Car boiler has a capacity of 5,000 kilowatts and will develop steam for process work. The hospital installation is 2,500 kilowatt capacity and will be used for laundry, sterilizing, cooking, heating, etc.

Both these installations will operate 24 hours daily during the six summer months and 12 night hours in winter. On Sundays and holidays 24-hour operation will be possible throughout the year. Both will consume only off-peak power and mark a forward step in complete utilization of Montreal's electrical resources.

Advantages Explained

In explaining advantages of off-peak power consumption officials of Montreal Power say:

"Since electrical energy cannot be stored but must be used as generated, our generating plants must be able to supply as much electricity as will be required at any instant. Consequently, the generating stations operate below capacity during 'off-peak' periods when the demand is lower.

"To counteract this condition we encourage the use of 'off-peak' power whenever possible, special rates being offered to consumers able to take power at times when the general consumption is low. Electric boilers are particularly adaptable to such intermittent use."

PETITION COURT FOR LIQUIDATOR ON SCOTIA STEEL

Claim Winding Up Order in Best Interests of Company

From Our Own Correspondent

MONTREAL.—Alleging that Nova Scotia Steel & Coal Co. was insolvent and that the best interests of the creditors would be served by having the company's affairs handled under the Winding Up Act instead of under the Bankruptcy Act, D. C. Sinclair, a New Glasgow security holder, has petitioned the courts to appoint a liquidator.

At present Nova Scotia Steel is under the receiver-managership of the Eastern Trust Co. and Gordon W. Scott, of Montreal. Application for a receivership was made and granted by the Nova Scotia courts in January.

Trust Deed Indefinite

One of the reasons advanced for the winding up petition was that the receiver-managers would find difficulty in borrowing money to carry on affairs of the company because serious doubts have arisen of whether the trust deed covers the shares of the Acadia Coal Co. and the Eastern Car Co., that is, whether securities of these companies which are held by Nova Scotia Steel & Coal are security for the bonded indebtedness of the latter company.

Lawyers for the petitioner argued that it was generally conceded that words of description in the trust deed were not sufficient to include the shares of Acadia Coal Co. and Eastern Car Co.

Claim Company Insolvent

Further it was alleged that Nova Scotia Steel was insolvent, first because it was unable to meet its obligations, secondly, because it had ceased pay current obligations in the ordinary course of business, and thirdly, because it had exhibited a statement to the receiver-managers showing its inability to meet its payments.

The lawyers for the petitioner stated that the company had issued a statement as of January 19, 1933, showing current assets of $274,040 and current liabilities of $1,791,726. In addition there was a contingent liability of almost $5,000,000 on the debenture stock. It was argued that if fixed assets could be realized upon at the figure carried in the balance sheet, a loss to shareholders of $4,101,434 would still exist. It was said that present coal areas of the concern were valued at $6,000,000 whereas what had proved to be the better portion was sold for $1,000,000.

Won't Borrow Money

It was stated that the Eastern Trust Co. was not opposed to the appointment of a liquidator. On being asked by the court why the receivers could not carry out the wind-up of the company, the petitioner's lawyers stated that the receivers did not know what properties they are entitled to and won't borrow money to carry on the company.

In support of the application for the wind-up order, it is claimed that the liquidator would have wider powers than now permitted under the receivership proceedings and that all uncertainty over the Acadia Coal Co. and Eastern Car Co. (the only two profitable units) would be ended. The appointment of a liquidator would permit the company to be carried on as a going concern.

Lawyers for Nova Scotia Steel asked for a four-day respite in order that they might consult their principals in Montreal. This request was granted by the court and a ruling is expected toward the end of this week.

Auto Registrations Drop in New Brunswick

From Our Own Correspondent

MONTREAL. — Revenue totalling $1,603,714 was secured through the Motor Vehicle Branch of the Department of Public Works of New Brunswick during 1932. Net receipts from automobile registrations were $840,261 while the gasoline tax brought in a total of $767,768. During the year there was a decline of 5,195 passenger cars and 426 trucks in registration, compared with the previous year.

Loss of registrations occurred principally in the rural sections of the province. Another feature that had a bearing on the situation was that automobile owners are buying smaller cars which affects gasoline receipts, according to George L. Ingram, Motor Vehicle Inspector, in his report.

Total number of cars registered in 1932 was 24.030, compared with 29,223 cars in the previous year. Truck registrations were 3,540, against 3,948.

SUPERTEST PETE RETAINS POSITION

Earnings Down — Working Capital Higher — Writes Down Goodwill

Net earnings of Supertest Petroleum Corp. are reported at $434,000 which compares with earnings in excess of $500,000 in 1931. Reduction is stated to be due to lower prices received and increase in taxation. The company does issue a complete income and surplus account but has published a balance sheet for the first time. Some improvement is shown in working capital position, fixed assets have increased by $256,000 and goodwill has been written down to $1 from $362,819. Regular dividend payments made during 1932 totalled $145,757.

Among current assets, cash and negotiable securities are up to $253,749 from $239,906; accounts receivable are down to $212,874 from $224,782 and merchandise is up to $168,237 from $152,529. Accounts payable are little changed at $310,939 and accrued charges are down to $67,754 from $86,182. Working capital position is as follows:

Working Capital

	1932 $	1931 $
Current assets	648,869	629,650
Current liabilities	397,121	379,988
Working capital	251,748	249,662
Ratio	1.63—1	1.66—1

Capital assets are shown at $3,339,901 of which $3,222,820 is in real estate, buildings and equipment. During 1932 distributing plants were established at Belleville, Ont. and St. Johns, Que., while a number of service stations were built and put in operation in Toronto, Montreal and other points. Investments are shown at $101,115 as against $76,408 in 1931, while company's stock held for cancellation is carried at $15,966.

Mortgage payable has been reduced to $403,286 from $437,998. Reserves to provide for doubtful accounts, depreciation of fixed assets and development are up to $650,474 from $525,147. There remains outstanding $350,000 of class A preferred stock, $200,000 of class B preferred, 25,000 shares of common stock and 85,000 shares of ordinary the latter two classes having no par value. Surplus is down to $1,084,075 from $1,244,269 as a result of writing down goodwill to $1 from $362,819.

PERMITS REFLECT BUILDING DECLINE

Only Two Large Cities Compare Favorably With 1931

Revised data of building permits issued in 61 leading cities of the Dominion show that the total for 1932 is 62.3 per cent below the figure for 1931. The leading cities generally show a decline of around this figure, two outstanding exceptions being Windsor and Saskatoon.

In the former case, permits issued in 1932 were actually nearly double the 1931 figure but, even at that, the figure for 1932 is less than any preceding year since 1920. This increase in permits issued in Windsor is wholly attributable to a permit issued for $600,000 for a post-office building. In the case of Saskatoon, engineering work is responsible for maintaining the 1932 figure almost equal to the 1931 total, only seven per cent of the 1932 total being dwellings compared with 40 per cent in 1931.

Fifteen leading cities are shown in the following table with the percentage change from the total of permits issued in 1931.

Building Permits Issued in 1932
(Fifteen leading cities)

	1932	% Change from 1931
Montreal	$10,557,438	—66.9
Toronto	7,862,693	—64.3
Vancouver	2,854,206	—71.6
Winnipeg	2,129,400	—51.6
Saskatoon	1,704,829	— 0.1
Ottawa	1,549,515	—50.9
Hamilton	1,424,300	—71.6
Quebec	1,179,465	—70.9
Edmonton	1,093,045	—20.6
Halifax	933,519	—68.5
Calgary	917,868	—52.8
Windsor	848,377	+94.6
London	567,690	—67.5
Saint John	445,539	—64.6
Regina	277,069	—82.7
61 cities	$38,370,313	—62.3

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Harbor Has Wide Area

According to the latest survey of the Halifax harbor, this port is now over nine square miles in area. Among its facilities under the control of the Harbor Board: it has 19 berths with rail trackage, (14 of them with transit sheds); grain elevators with a capacity of 2,200,000 bushels; five loading berths and a marine tower.

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CALGARY POWER TOTAL EARNINGS SHOW INCREASE

Operating Income Lower — Investments Return $119,231

From Our Own Correspondent

MONTREAL—Though gross earnings of Calgary Power Co. in 1932 decreased 2 per cent and net earnings were slightly lower than the previous year, income of $119,231 from investments shown for the first time in the current report, increased net earnings to $1,414,242 compared with $1,309,732 in 1931. After increased provision for depreciation and exchange, and deduction of other charges, net profit was $632,090 compared with $565,682 in the preceding period. After payment of preferred dividends profits were equal to $7.77 a share on the common share against $6.12 a share in 1931. Dividends at the regular rate of 6 per cent on the common were maintained during the year.

Addition of income from investments is explained by the fact that the company now owns 85 per cent of shares and securities other than the first mortgage bonds of Ottawa Valley Power Co. It is pointed out that for the first nine months of last year, 48,000 h.p. was supplied by that company to the Ontario Hydro and since October 1, 1932, it has been supplying the full contract quantity of 96,000 h.p. and a further increase in annual earnings from this source will be available.

Profit and Loss

Following is a comparison of profit and loss figures for the past two years:

	1932 $	1931 $
Gross earnings	2,034,704	2,082,248
Op. exp. & taxes	739,693	772,516
Net oper. earnings	1,295,011	1,309,732
Invest. income	119,231	......
Net earnings	1,414,242	1,309,732
Less: Depreciation	175,000	165,000
Bond int.	500,000	500,000
Exchange	55,677	34,083
Bond disc.	36,121	36,091
Other int.	15,354	8,876
Net profit	632,090	565,682
Less:		
Preferred dvds.	360,000	351,420
Common dvds.	210,000	210,000
Surplus for year	62,090	4,262
Add prev. surp.	†973,516	989,378
Bal. forward	1,035,606	993,640
† Adjusted.		
Working Capital—		
Curr. assets	532,596	784,360
Curr. liabilities	2,601,954	4,047,224
Working cap.*	2,069,358	3,262,864

* Excess of current liabilities over current assets.

That there has been some realization on investments is revealed in the balance sheet. Investments are carried at $1,957,677 compared with $3,225,946 in the previous year. In liabilities, bank loans have been reduced from $2,805,000 to $1,937,000 while accounts and bills payable are down $581,000 at $327,953. Reduction in the two latter accounts is reflected in the decrease in current liabilities in working capital position. Changes in assets include a reduction of $109,000 in cash which totals $117,825 and an increase of $210,000 in property account which totals $20,417,867.

In liabilities, capital structure is unchanged and there are still outstanding $10,000,000 of 5 per cent first mortgage bonds in addition to which $2,600,000 are hypothecated against bank loans. Depreciation reserve is up $160,000 at $1,161,199 and miscellaneous reserve is down $111,000 at $58,833. Indicating sustained residential business, consumers' deposits are up $3,000 at $69,502.

Remarks to Shareholders

In his remarks to shareholders, G. A. Gaherty, president of the company, said in part:

"Permanent financing should be arranged when market conditions warrant to provide for the liquidation of the bank loan of $1,937,000, for which purpose there are available, to the extent that they may be required, $2,600,000 first mortgage bonds of your company, presently pledged as collateral for this loan. In so far as this financing may be delayed by the continuance of the present unsettled financial conditions, some further reduction in the amount required to be financed should result from current earnings."

Toronto Reduces Rate; Will Fund Relief Costs

Toronto anticipates a gross expenditure of $37,917,567 in 1933, which is approximately 3.9 per cent below expenditure of 1932 and 5.2 per cent below that of 1931. The general assessment of the city is $977,517,405 and in order to meet estimated expenditures a tax rate of 33.4 mills has been struck which compares with a rate of 33.9 mills in 1932. Reduction of the mill rate is made possible by the decision of the city to fund relief expenditures by issuing short term debentures probably maturing over a five year period.

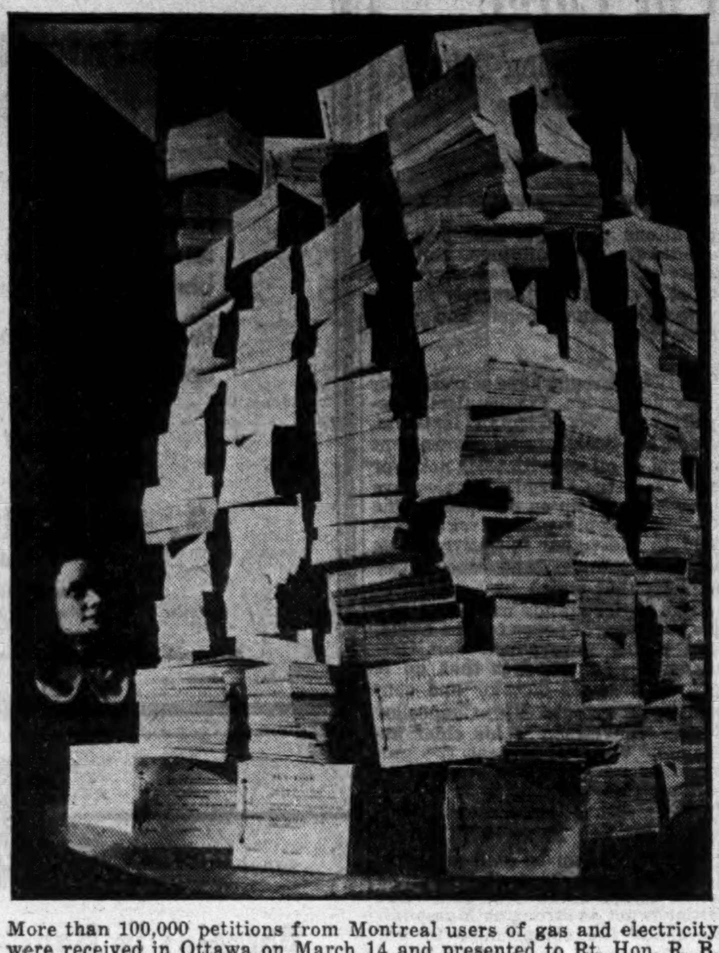
The city carries forward a deficit of $1,258,328 from 1932 which represents approximately 1.29 mills upon the general assessment in 1933. Exchange cost the city $661,869 in 1932 an amount which was not provided for in the 1932 estimates. Capital expenditures in 1933 have been restricted to absolutely essential items and are estimated at only $694,396 as compared with $2.753,702 in 1932 and $7,986,000 in 1931. City collected 79.6 per cent of current taxes in 1932 and 69.2 per cent of arreas. In 1931, 82.26 per cent of the levy was collected. Population of the city is shown at 626,674.

Canadian Canners Cuts Rate of Second Preferred

Quarterly dividend of 50 cents per share has been declared on the second preference stock of Canadian Canners Ltd. payable April 1 to shareholders of record March 15. The usual dividend on the 6 per cent first preferred stock has been declared.

The dividend on the second preferred stock represents a reduction of 5 cents per share from the quarterly rate of 10 cents per share that has been in effect since July 1, 1932, when the annual rate was reduced from 68 cents per share.

Light Reading Matter for the Prime Minister



More than 100,000 petitions from Montreal users of gas and electricity were received in Ottawa on March 14 and presented to Rt. Hon. R. B. Bennett by a delegation headed by J. S. Norris, president of Montreal Light, Heat & Power Cons. The petitions ask equalization of federal income tax as applied to public utilities; at present privately owned utilities are assessed this tax while publicly owned enterprises are excused.

MONT. COTTONS REDUCES LOSSES DURING PAST YEAR

Deficit Before Charges at $14,326 Against $118,787 in 1931

From Our Own Correspondent

MONTREAL—Operating loss of Montreal Cottons Ltd., in 1932 was substantially reduced despite a reduction in yardage and dollar volume of sales. Sales totalled $2,754,373 a reduction of $380,795. Loss for the year was $75,003 compared with a loss of $246,840 in the previous year; no depreciation has been provided since 1927. Other income dropped sharply, but the deficit was reduced to $14,326 against $118,787 in 1931.

After provision for bond interest, bad debts and dividends on preferred and common stocks there was a total loss of $442,155. The sum of $300,000 was transferred from special contingent account, compared with a transfer of $500,000 in the previous year and balance at surplus was reduced to $230,452, down from $383,724 at the end of 1931.

Profit and Loss

Following is a comparison of profit and loss for the past two years:

	1932 $	1931 $
Net earnings	*75,003	*246,840
Add: Other inc.	60,677	128,053
Total income	*14,326	*118,787
Less:		
Bond interest	23,985	24,580
Bad debts	13,844	21,026
Net profit	*52,155	*164,393
Less:		
Preferred dvds.	210,000	210,000
Common dvds.	180,000	180,000
Surplus for year	*442,155	*554,393
Add prev. surp.	383,724	449,036
Trans. from res.	300,000	500,000
Less: Skg. fund res.	11,117	10,919
Bal. forward	230,452	383,724
* Deficit.		
Working Capital—		
Curr. assets	2,072,101	2,049,074
Curr. liabilities	1,454,847	959,649
Working cap.	617,254	1,089,425

Decline in working capital is due to increased bank loans which now total $966,616 compared with $346,331 in the previous year. In assets a former cash balance of $24,704 has been eliminated; inventories are up $112,000 at $1,223,554 while raw cotton supplies are at a new low point totalling $293,115 compared with $344,969 in 1931.

Investments are carried at $886,755; market value was $699,308. In the previous year call loans were included with investments in a total of $1,306,621; it is apparent that these loans have been called. During the year an expenditure of $440,408 was made on capital account; fixed assets are now valued at $6,391,705.

In liabilities the major change is in bank loans previously mentioned. Special contingent accounts are down $300,000 to $669,189 reflecting the transfer to surplus account. During the year there were redeemed $13,140 of bonds, leaving $468,661 outstanding.

Remarks to Shareholders

Referring to increased importations from Lancashire sources of goods which the company had supplied for years to the Canadian market, C. B. Gordon, chairman of the board, said in part: "The increase in importations can be attributed largely to the lower laid down costs of British goods as a result of the depreciated value of the pound sterling, which has been effective over the entire year and the result of which has been mitigated, but not met, through the currency exchange regulations put out by the government.

"The situation has not improved since the close of the year under review and your directors have deemed it advisable to stop payment of the common dividend to assist in maintaining the liquid position of the company.

TWO PROVINCES PROPOSE TAXES ON CHAIN STORES

Quebec and Ontario Bills Regarded as Discriminatory Legislation

Seeking additional sources of revenue municipalities in Ontario and Quebec are favoring legislation that would increase taxes on chain stores. Bills for this purpose have been presented in both legislatures and are meeting united opposition of chain store operators who claim that the proposals constitute discriminatory legislation.

The Ontario bill permits municipalities to raise the business assessment to 75 per cent of the assessed value of lands and buildings occupied as warehouses, head offices and stores of companies operating more than three stores in the province. At present the business assessment is on 25 per cent of the assessed value of land in cities of 50,000 population or over or on 30 per cent of assessed value in cities and towns of 10,000 population or over. Chain store companies claim that this change will practically treble the present business assessment.

Ontario Increases

During the past two years Ontario chain store companies have had to pay three new taxes, a tax of 1/10 of 1 per cent on paid-up capital and surplus imposed in 1931, a tax of 1 per cent on net profits and a tax of $50 per store, which were both imposed in 1932. The annual statement of Dominion Stores Ltd., one of the largest chain store operators, indicated that provincial taxation increased by $15,000 in 1932. This represented 2.4 per cent on net earnings of the company and 4.15 per cent of net profit available for dividends.

In Ontario, the proposed increase, does not apply to associated or retail merchants who combine to purchase their requirements in large quantities through a central agency. There are a number of chains of stores grouped in such associations whose members are not affected since they own their own stores. At the same time these associations are able to compete on equal terms with the chain store companies. The effect on the incorporated companies who would pay the additional tax would be the closing of some stores and possible adjustment in rentals. Chains operating a large number of small units and working on a narrow margin of profit would be hard hit.

The Ontario bill, an amendment to the Municipal Act, also gives municipalities the right to differentiate between gasoline service stations and garages for the purpose of taxation and proper regulation. As it now stands, gasoline stations are lumped together with garages, and the proposed Act will give municipalities authority to separate them. This has been one of the matters that has aroused considerable concern in many parts of the province.

There is a possibility that restaurants may be included in the bill for the purposes of taxation. if there are five or more owned by one company. Stores which have a trade name but where the units are owned individually, are not subject to any increase in assessment, it is stated.

Plan to Tax Chains May be Amended

From Our Own Correspondent

MONTREAL.—Deletion of some of the clauses included in the Montreal bill, notably that which would tax chain stores, are anticipated when the Upper House gives the bill its consideration. Private bills committee has been studying the voluminous report submitted by the metropolis this year.

The Dugas bill, which seeks to regulate installment selling, is expected to be amended substantially while some predict that it will be killed outright.

ALBERTA SEEKS SMALL SURPLUS FOR NEXT YEAR

Balances Budget by Further Reduction of Expenditures

Estimates of revenues and expenditures in Alberta's next fiscal year which end March 31, 1934, provide for a surplus of $9,700. The budget brought in by Hon. R. G. Reid provincial treasurer estimates the expenditure at $15,463,470 and revenue at $15,473,174. Further reductions in expenditure are proposed and increase in revenue is anticipated through the imposition of an additional 1c. in the gasoline tax. This increase, however, will be partially offset by adjustment in motor car licenses to be made from April 1.

The provincial government proposes to reduce controllable expenditures by $1,701,734 which is an average reduction of 17¾ per cent in each provincial department. Public debt charges are up by $332,065 leaving a net reduction of $1,300,660. Chief reduction is that of $449,548 in the public works department, a reduction of 22 per cent from the estimate of expenditure for the current fiscal year which ends March 31. Estimated expenditures for education are reduced $334,467 or 13 per cent of which $118,388 represents reduction in university grants.

At Dec. 31, 1932, the net funded and unfunded debt of the province was $144,239,193 from which can be deducted revenue producing assets of $43,138,223 chiefly made up of Alberta Government telephone plant and supplies, the balance owing in respect to railways and the Alberta Co-operative Wheat Producers Limited. The general debt after this deduction amounts to $101,100,970 or $138.19 per capita.

Manitoba Must Raise Revenue or Have Deficit

Provincial expenditures will total $14,831,536 in Manitoba in the year ended April 30, 1934, according to estimates tabled in the legislature by Premier John Bracken. On the basis of present taxation, revenues may not total over $12,500,000 which would leave an estimated deficit of over $2,300,000.

While expenditures are reduced by $1,567,501 from the estimates for the current fiscal year charges on public debt account for practically 50 per cent of total expenditures and debt charges show an increase of $1,767,696 which offset the proposed saving in current expenditure. The provincial budget is expected to be tabled in the legislature at an early date.

MONT. FINANCE EARNS DIVIDEND PAID LAST YEAR

Small Surplus Shown After Payment on Preferred

From Our Own Correspondent

MONTREAL.—Income of Montreal Finance Corp. in 1932 was slightly lower than that of the preceding year, totalling $123,364 compared with $124,381 in 1931. Expenses were reduced and net earnings were marginally higher at $107,632. Reserve for bad debts was increased by $21,000 and, after provision for income tax, net profit was $40,672 or the equivalent of $2 a share on the preferred against $3 a share in the previous year.

During the year preferred dividends were paid at the rate of 4 per cent on the 20,000 shares of 8 per cent preferred stock, par value $50. In 1931 payments of 6 per cent were made. Dividends were 6 per cent in arrears at the end of the year.

Following is a comparison of profit and loss for the past two years:

	1932 $	1931 $
Int. on mtges.	100,039	93,233
Disc. earned	21,109	31,148
Other inc.	2,216	......
Total income	123,364	124,381
Less: Expenses	15,732	17,044
Net earnings	107,632	107,337
Bad debt res.	61,210	40,344
Income tax	5,750	6,499
Net profit	40,672	60,493
Less: Pref. divds.	40,000	60,000
Surplus for year	672	493
Add prev. surplus	*15,562	*16,180
Bal. forward	16,234	16,673

*Adjusted.

Balance sheet shows a reduction of $22,000 in cash which totals $11,286 but call loans of $40,164 make the first appearance, together with investments with a book value of $9,778 and a market value of $8,800. Mortgages receivable total $1,192,277 which includes $343,274 of installments due and unpaid. Properties acquired by foreclosure, less first mortgages, are up $2,000 at $59,727. Organization expense is unchanged at $150,000.

Liabilities show a reserve of $159,442 for depreciation of equities compared with a reserve of $101,071 for doubtful accounts in the previous year. Unearned discount on mortgages purchased is down $11,000 at $141,903. Capital structure is unchanged.

Township of East York Tax Rate Set at 29.3 Mills

Tax rate of the Township of East York, Ontario, has been set at 29.3 mills for 1933 an increase of 4.9 mills over the rate in 1932. Expenditures are estimated at $1,358,781 as compared with $1.311,040 in 1932. Reduction in operating expenditures were more than offset by increased provision for relief costs which are expected to total $750,000 during 1933. Of this amount, the municipality is liable for 20 per cent of $150,000.

The township has a debenture debt of $5,766,266 and a hydro debt of $324,818. Tax arrears are approximately $800,000. With a population of 36,000 the township has 11,200 persons on relief of whom 759 are property owners.

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Can. West. Nat. Gas	5%	1936	June 15	105
Amer. Salesbook	†6%	1930	Apr. 1	103½
No. Mex. Pwr.	7%	1938	Apr. 1	105
Wabasso Cot.	*6%	1947	June 1	105

*$10,000 for sinking fund purposes.
†Called in part.

SAY CANADIAN BANKS SHOULD BE RESTRICTED IN SECURITY DEALINGS

(Continued from page 1)

considered ample. One banker ventured the opinion to The Financial Post that Canadian banks had not taken part in underwritings which were not deemed good enough for investment for the bank in case the issues were not sold.

The Bank of Montreal is the only Canadian chartered bank which appears to own a securities subsidiary. This company is The Montreal Co. of New York, Inc., which was formed under New York charter in 1926 to underwrite and distribute securities. At present little is known of its operations, and this fact, in itself, may indicate that it has been comparatively inactive.

Advise Short Terms

Some students of banking claim that Canadian banks should confine their security investments to short term bonds. This is generally done. If all bank security holdings were for short term in Canada, however, economists claim that more short term financing would have to be done by governments in this country. Treasury bills would be more common, especially in Dominion financing. This, it is contended, might also have a beneficial effect on governments in forcing them to meet their obligations more frequently, and thus serve as a restriction to overspending through overborrowing. It might also tend to make it more costly to raise money for industrial financing.

One dealer put the case to The Financial Post in this way:

"Long term mortgage loans are not suitable for bank investment. They are prohibited by the Bank Act. Banks should confine themselves to short term, self-liquidating loans. If this is true, should banks deal in and lend on long term bonds which may be the equivalent of mortgage security?"

The opinion of such investment dealers is necessarily influenced by the fact that they consider security departments of Canadian banks as unfair competitors. There are also security dealers who think the aid of banks in syndicates is valuable, chiefly in government and municipal issues, because the banks often are in a position to take up substantial portions of the short-term securities in an offering. Such short-term bonds are not suitable for sale to the public.

Underwriting Participations

Criticism of bank dealings in securities is chiefly aimed at participation in underwritings of corporation and utlity public bonds. These participations have, however, been limited. There is also some criticism of banks' underwritings of government and municipal securities. It is contended that in either case the banks are not impartial observers of the underwritings, and that this may influence their attitude on financing of such issues and on their offerings to clients. It is also claimed that, while undue risks on bank underwritings of securities do not appear to have been taken, possible bad fortune of an industrial or public utility issue tends to weaken the prestige of an underwriting bank.

Conservatism appears to have been shown by Canadian banks in their participation in underwritings of securities. But this has been due chiefly to good management of the banks. There is practically nothing in the Bank Act to prevent banks dealing in securities as they please.

Sell to Clients

Some of the Canadian banks are active in selling bonds to clients. They send out offering lists, and in some cases are said to appoint sub-agents to handle business for them. It is a proper practice for banks, acting as agents, to buy securities for clients, when requested to do so, and to obtain the usual dealer's commission for such orders. Banks also provide service to clients in advising on investments. It is understood that sales to clients of securities owned by banks through underwriting participations, have been small in Canada. Such sales are possible, however, under present banking law in this country. Some security dealers consider this unsound, because they say banks cannot be impartial in such cases, and because they believe banks have an inside track in their knowledge of the prospective purchaser's financial position. Banks' sales of industrial and public utility securities direct to clients is apparently a development of recent years. In this connection, the late Sir Edmund Walker made the following statement to the committee on Banking and Finance of the House of Commons in 1923:

"...We have established safety deposit vaults to take care of the securities for the people. We have savings bank customers and people that trust their bank, who come and want to buy a government bond and we have gone into the bond business, arising quite in a natural way. I would say that this is entirely a matter of discretion on the part of the bank. We would not in our bank sell industrial bonds. We will sell Dominion bonds and provincial bonds and municipal securities and we think that has always been a function of a bank. I do not think that bond dealers have any more right in that respect than we have."

Syndicate Experience

The experience of banks in securities syndicates is considered satisfactory by some observers. In many cases the securities have been taken off the hands of the syndicate promptly, so that there was practically no risk to the participating banks.

In syndicate dealings, the banks have frequently lent the full value paid by the syndicate for the underwriting, it is understood. This means that such loans have been made without any margin of security to the lending bank. This appears to have been done for industrial and public utility bonds as well as government and municipal issues. The interest charged is usually the coupon rate. In some industrial issues, bearing a high coupon, it might be less. In return for these financing services, banks have received their proportionate share of syndicate profits. Bond dealers are believed to have disposed of the bulk of such offerings.

It is possible that banks might find themselves with long-term bonds on their hands in syndicate operations, if the sale is not a success. In such case, these long-term securities would probably have to be absorbed into the investment account of the bank or sold to bank clients. Bankers say that this condition has prevailed only to an infinitesimal extent.

Aldrich Opinion

Winthrop W. Aldrich, recently appointed president of the Chase National Bank of New York, has expressed himself as definitely opposed to mingling security dealings with banking. In this connection he made the following statements:

"No corporation or partnership dealing in securities should be permitted to take deposits even under regulation.

"No officer or director, nor any member of any partnership dealing in securities, should be permitted to be an officer or director of any commercial bank or bank taking deposits, and no officer or director of any commercial bank or banks taking deposits should be permitted to be an officer or director of any corporation, or a partner in any partnership, engaged in the business of dealing in securities."

One of the features of the United States banking situation in recent years, and considered a weak point by economists and some banking authorities, has been the rising trend in security loans, in proportion to total loans. Call loans in New York have however, always been considered among the most liquid of any form of bank assets in Canada or the United States.

It would seem difficult to prevent banks lending on securities, whether long or short term. Such loans have always been part of banking. Banks would have difficulty in placing such call money in any other form of immediately liquid loan. Security dealings would be hampered by any such policy. Wiseacres comment, however, that fewer security loans in Canada and the United States would have been advantageous to banks, security dealers and to the public in the last five years.

Some Bank Offerings

Some of the leading industrial and public utility issues in which Canadian banks have participated in the last five years are listed below:

Canadian Corporation and Public Utility Securities Offerings in Which Canadian Chartered Banks Appeared as Underwriters

	Rate %	Maturity Date	Amount of Issue $	Banks Included Among Underwriters
1928				
Shawinigan Water & Pwr. Co.	4½	1968	10,000,000	Royal, Montreal
1929				
Bell Telephone Co.	5	1957	15,000,000	Montreal
C. P. R.	5	1954	30,000,000	Montreal, Royal, Commerce
Bell Telephone Co.	5	1957	5,000,000	Montreal
Bell Telephone Co.	5	1960	7,500,000	Montreal, Royal
1930				
Montreal Light, H. & P. Cons.	5	1970	5,000,000	Royal
Shawinigan Water & Pwr. Co.	5	1970	15,000,000	Royal, Montreal
B. C. Telephone Co.	5	1960	7,500,000	Commerce
C. P. R.	4½	1960	25,000,000	Montreal
C. P. R.	4	debs.	10,000,000	Montreal
Ontario Power Service Corp.	5½	1950	20,000,000	Royal, Commerce, Imperial, Nova Scotia, Can. Nationale
1932				
C. P. R.	6	1942	12,500,000	Montreal, Commerce, Imperial, Toronto, Nova Scotia, Dominion, Royal, Can. Nationale, Provincial
Shawinigan Water & Pwr. Co.	6	1937	6,000,000	Royal, Commerce, Can. Nationale

Edmonton Prepared To Meet Maturities

Practically 11 per cent of the investments held in Edmonton's sinking fund are in default and the sinking fund trustees lost $66.203 in interest which was not paid by defaulting municipalities, debentures of which are held in the sinking fund, according to the annual statement of the sinking fund trustees. While $210,077 of principal is due and unpaid. Of the total principal in default amounting to $1,382,330, 65 per cent is due to default by Ontario municipalities in the border cities group, 21.4 per cent is due to default in British Columbia and 11.6 per cent to defaults in Alberta, and 1.7 per cent to defaults in Saskatchewan. Due to loss of interest and net loss of $146.482 on sale or redemption of securities, the trustees had a total loss of $176,981 in 1932 and the deficiency was taken care of by using reserves which had been set up against real estate loans and investments.

During 1933, Edmonton has bonds maturing to a total of $6,278,104 and in order to meet these maturities, the trustees realized on investments to the extent of $2,498,109. The trustees bought Edmonton bonds maturing in 1933 and carried forward a cash balance of $969,711. Edmonton bonds with a par value of $2,035,717 due in 1933 were acquired.

Total assets held by the sinking fund board amount to $14.266,371 while total funds required to be provided, amount to $13,988,775.

Mimico Favors Scrip As Bank Stops Credit

Failing to secure further loans from the banks to meet current expenditures, councillors of the Town of Mimico, Ontario, are favoring the issue of scrip to pay town employees. The town was forced to default on debenture obligations due March 1, but has consistently refused to place itself under the supervision of the Ontario Municipal Board.

The immediate cause of default on March 1 was the refusal of banks to advance money to the town to meet capital expenditures and debenture interest requirements and the latest move in refusing to advance money for current expenditures leaves the town with little cash on hand. The town has been informed that no further advances would be made unless application was made to the Ontario Municipal Board for the appointment of a Board of Supervisors. E. K. Bunnell.

Donnacona Profits Down As Production Decreases

From Our Own Correspondent

MONTREAL—Donnacona Paper Co., with a plant capacity of 75,000 tons of newsprint annually, produced only 24,000 tons during the past year, compared with an output of 54,000 tons in 1931. Profits for 1932 reflected restricted activity and totalled $241,383 contrasted with $434,879 in the preceding year. As a sequence to the reorganization carried out last year, bond interest was but $30,625 compared with $644,289, and after provision for depreciation on a reduced scale, there was a surplus of $6,035 against a loss of $835,931 in 1931.

Following is a comparison of profit and loss for the past two years:

	1932 $	1931 $
Oper. profit	241,383	434,879
Less:		
Bond int.	30,625	644,289
Other int.	......	51,645
Depreciation	204,721	574,875
Net profit	6,035	†835,931
Less: prev. surp.	......	66,453
Surplus for year	6,035	†769,478
Add: cap. surp.	......	1,305,943
Less: misc. charges	......	139,091
Trans. to dep.	......	397,374
Bal. forward	6,035	nil
† Deficit.		
Working Capital—		
Curr. assets	700,680	1,361,779
Curr. liabilities	313,074	2,062,908
Working cap.	387,606	*701,129

* Excess of current liabilities over current assets.

As a result of the reorganization, working capital position is improved since accrued interest payments, now waived, were shown in the 1931 liabilities.

Balance sheet shows cash at $19,444 compared with nil in the preceding year, while business lethargy is reflected in accounts receivable, which are down $317,000 at $122,574. Inventories have been reduced by $364,000 to $558,662 and former investments of $179,362 have been eliminated. Fixed assets have been written down by $4,658,000 to $10,888,511.

Liabilities reflect the changes effected in capital structure. Debentures, formerly outstanding to the extent of $4,600,000 are eliminated while common stock is carried at $1,449,460 compared with $3,000,000. Depreciation reserve totals $3,142,100 compared with $746,175. Noteworthy is a reduction in bank loans which total $184,500 against $750,000 and a former sum of $852,698 due to associated companies has been liquidated. Surplus now totals $6,035.

Remarks to Shareholders

In his remarks to shareholders, R. P. Kernan, president of the company, said in part:

"The products of the insulating board mill have continued to be well received, both in the domestic and foreign markets. Notwithstanding a sharp decline in building activities throughout the world, the demand during the past year has equalled that of 1931. Due to reduction in manufacturing costs and more favorable selling arrangements, we have succeeded in showing a profit for the first time since the Board Mill went into production.

"The inventories have been taken at very conservative figures, both in regard to quantities and values. The block pile of pulpwood is more than sufficient to run the mill during the present year without further purchases."

NOTICE

Montreal Tramways Company

ANNUAL GENERAL MEETING

NOTICE is hereby given that in accordance with the by-laws of the Company, the Annual General Meeting of the Shareholders of the MONTREAL TRAMWAYS COMPANY will be held at the Company's Offices, Tramways Building, 159, Craig Street West, Montreal, at 12 o'clock noon, on Monday the 20th day of March, 1933.

This meeting will be convened as called and immediately adjourned until Monday, the 24th day of April, 1933, at the same time and place.

The Transfer Books will be closed from the 1st day of March, 1933, to the 20th day of March, 1933, both dates inclusive.

By order of the Board.

PATRICK DUBEE, Secretary-Treasurer.

Monday, January 16th, 1933.

DIVIDEND NOTICES

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 31st March, 1933, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Saturday, the 1st day of April, 1933, to shareholders of record on the 20th March, 1933.

By Order of the Board.

DUDLEY DAWSON, General Manager.

Toronto, 16th February, 1933.

A. J. Freiman Limited

DIVIDEND NOTICE

A dividend of one and one-half per cent (1½%) on the 6% cumulative redeemable convertible preferred shares of A. J. Freiman, Limited, being at the rate of 6% per annum, will be paid on the 1st day of April, 1933, to shareholders on record March 15th, 1933.

By resolution of the Directors.

Dated at Ottawa this 8th day of March, A.D. 1933.

S. R. OUELLETTE, Secretary-Treasurer.

Ottawa Light Heat and Power Company, Limited

DIVIDENDS

Notice is hereby given that the usual dividends have been declared for quarter ending 31st March, 1933, payable to Shareholders of record 15th March, as follows:—

PREFERRED STOCK: 1⅝%, (being at the rate of 6½% per annum), payable 1st April, 1933.

COMMON STOCK: 1½%, (being at the rate of 6% per annum), payable 31st March, 1936.

The transfer books will not be closed.

By order.

F. W. FEE, Sec'y-Treas.

OTTAWA, 10th March, 1933.

Western Grocers Limited

Notice of Dividend

A dividend of one and three quarters per cent (1¾%) on the Preference Stock of Western Grocers Limited has been declared for the quarter ending March 31st, 1933, payable April 15th, 1933, to shareholders of record March 20th, 1933.

By order of the Board.

W. P. RILEY, President.

Winnipeg, Man., March 10, 1933.

The TORONTO GENERAL TRUSTS CORPORATION

DIVIDEND NO. 147

Notice is hereby given that a dividend of two per cent (2%) has been declared upon the paid-up capital stock of this Corporation for the quarter ending March 31st, 1933, payable on and after Saturday, the first day of April, 1933, to shareholders of record at the close of business on March 18th, 1933.

By order of the Board of Directors.

W. G. WATSON, General Manager.

Toronto, March 14th, 1933.

DIVIDEND NOTICES

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given, that a Dividend of Three per cent, being at the rate of Twelve per cent per annum, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after 1st April, 1933, to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board.

WALTER GILLESPIE, Manager.

Penmans Limited

DIVIDEND NOTICE

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 30th day of April, 1933.

On the Preferred Stock, one and one-half per cent. (1½%), payable on the 1st day of May to Shareholders of record of the 21st day of April, 1933.

On the Common Stock, Seventy-five Cents (75c) per share, payable on the 15th day of May to Shareholders of record of the 5th day of May, 1933.

By Order of the Board.

C. B. ROBINSON, Secretary-Treasurer.

Montreal, March 6, 1933.

BRITISH COLUMBIA POWER CORPORATION, LIMITED

DIVIDEND No. 19

NOTICE is hereby given that a dividend of Fifty cents per Share on Class "A" Shares of no par value has been declared for the period ending March 31st, 1933, to Shareholders as of record at that date and that same will be payable by the Montreal Trust Company at its office in Montreal, on April 15th, 1933.

By Order of the Board.

ERNEST ROGERS, Secretary

Vancouver, B.C., March 11th, 1933.

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

Canada Northern Power Corporation, Limited

Common Dividend No. 15

NOTICE is hereby given that a Dividend of 20c. per share (being at the rate of 80c. per annum) has been declared on the no par value Common Stock of CANADA NORTHERN POWER CORPORATION LIMITED for the quarter ending March 31st, 1933, payable April 25th, 1933, to shareholders of record at the close of business on March 31st, 1933.

By order of the Board.

L. C. HASKELL, Secretary.

Montreal, February 28th, 1933.

Dominion Textile Co. Limited

TEXTILE DOMINION CO. LTD.

Notice of Common Stock Dividend

A DIVIDEND of Fifty Cents per share from operations and Fifty Cents per share from interest on investments, making One Dollar per share, has been declared on the Common Stock of DOMINION TEXTILE COMPANY, Limited, for the quarter ending March 31st, 1933, payable April 1st, 1933, to shareholders of record March 15th, 1933.

By order of the Board,

JAS. A. FISH, Acting Secretary.

Montreal, February 23rd, 1933.

The Montreal City & District Savings Bank

Dividend Notice

A dividend of three dollars per share of the paid-up Capital Stock of this Bank has been declared for the current quarter, payable on and after Saturday, the first day of April next, to shareholders of record Wednesday, the fifteenth day of March next, at three o'clock p.m.

By order of the Board,

T. TAGGART SMYTH, General Manager.

Montreal, February 27th, 1933.

Dominion Glass Company Limited

NOTICE OF DIVIDENDS

Notice is hereby given that a dividend of one and three-quarters per cent (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 31st day of March, 1933.

Notice is also hereby given that a dividend of one and one-quarter per cent (1¼%) has been declared on the COMMON STOCK of the Company for the quarter ending the 31st day of March, 1933.

The above Dividends are payable on Saturday, the 1st day of April, 1933, to Shareholders of record at the close of business Wednesday, the 15th day of March, 1933.

By Order of the Board.

MERVYN OFFER, Secretary.

Montreal, 28th February, 1933.

Dairy Corporation of Canada Limited

Six Per Cent Fifteen-Year Sinking Fund Gold Debentures, Series "A" and Series "B"

NOTICE TO DEBENTUREHOLDERS

NOTICE IS HEREBY GIVEN to the holders of the above mentioned Debentures of Dairy Corporation of Canada, Limited, that they are required to forward their Debentures together with all coupons attached thereto, matured and maturing on and after January 1st, 1933, to The London and Western Trusts Company, Limited, 219 Bay Street, Toronto, Ontario, the Trustee for the holders of the said Debentures.

The said Debentures and coupons are required to be presented to the said Trustee to permit the endorsation thereon by the said Trustee of a memorandum setting forth the alteration and modification of the rights of the said holders of the said Debentures and coupons as authorized by an Extraordinary Resolution passed and adopted at a Meeting of the holders of the said Debentures held on the 10th February, 1933, and by a Supplemental Trust Deed, dated 10th February, 1933, made between Dairy Corporation of Canada, Limited, and The London and Western Trusts Company, Limited; and for the further purpose of endorsing on the said Debentures a reference to the aforesaid Supplemental Trust Deed.

This notice is given pursuant to the provisions of the Trust Deeds under which the said Debentures have been issued and are outstanding.

DATED at Toronto this 14th day of March, 1933.

THE LONDON AND WESTERN TRUSTS COMPANY, LIMITED

Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year End	Net Income 1932 $	Net Income 1931 $	Common earnings 1932 $	Common earnings 1931 $	Curr. divid. $	Balance car. fwd. 1932 $	Balance car. fwd. 1931 $	Mkt.	Mkt. times earn.	Yield %
Montreal Finance Corp.	Dec. 31	40,672	60,493	...	...	...	16,234	16,673	...	...	...
Acadia Trust	Nov. 30	55,239	55,619	27.61	27.80	10	85,538	50,298	...	...	...
Steel of Canada	Dec. 31	217,425	598,550	...	0.83	1.75	12,753,771	13,796,088	17¼	...	10.1
Can. Power & Paper Invest.	Dec. 31	*339,187	84,021	...	...	...	220,183	559,451	...	...	...
Canada Steamships	Dec. 31	*2,186,226	*1,310,462	...	...	...	†2,783,493	†597,268	1¼	...	...
Tamblyn Ltd.	Dec. 31	135,422	182,819	3.48	5.08	...	592,281	494,701	...	...	...
Can. Northern Power	Dec. 31	725,678	669,574	0.91	0.76	80c	1,378,071	1,339,595	12	13.1	6.7
International Nickel	Dec. 31	*135,345	5,094,497	...	0.45	...	14,688,560	16,757,814	9½	...	...
Can. Celanese	Dec. 31	718,881	805,164	...	0.70	...	1,723,449	1,730,447	7¼	...	...
Viau Biscuit	Dec. 31	*21,510	122,760	...	1.19	...	2,940	87,800	...	...	...

*Loss. †Deficit.

Provincial—	Date Sold				
New Brunswick	Mar.	Gairdner & Co.	5½%	1941	$250,000

THE FINANCIAL POST

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Vice-President—HORACE T. HUNTER
Editor—FLOYD S. CHALMERS
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Single Insertion—$3.65 per inch.
Debenture and Dividend Notices—26c. per agate line.
Contract rates upon request.

SUBSCRIPTION PRICE
Canada, United States, Mexico, British Empire, $5.00 per year; all other countries, $6.00.

Published by
THE MACLEAN PUBLISHING CO., LIMITED
143 University Ave., Toronto 2
MONTREAL, Southam Building, Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor. GT. BRITAIN, London, The MacLean Co. of Great Britain, Ltd., 2, 3 and 4 Cockspur St., London, S.W. 1, E. J. Dodd, Director. Telegraphic address, Atabek, Lesquare, London.
THE FINANCIAL POST BUSINESS YEAR BOOK. Yearly, $2.
THE FINANCIAL POST SURVEY OF CORPORATE SECURITIES. Yearly, $2.
THE FINANCIAL POST SURVEY OF MINES. Yearly, $2.
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THE FINANCIAL POST CORPORATION SERVICE. $20 monthly. Special prices for selected part service.
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TORONTO, MARCH 18, 1933

ARBITRAL TRIBUNALS GET THEIR CHANCE

THERE does not seem to be through Canada a clear understanding of how the proposed arbitral tribunals designed to effect cooperation between the two railways will be set up and how they will operate.

Much of the comment regarding these tribunals is based upon the assumption that there will be one large arbitral tribunal which will continue in existence and handle all problems that require arbitration between the railways. As a matter of fact this very definitely was outside the proposal of the Duff Commission. Had they wanted such an arbitrary continuing body with dictatorial powers they would probably have suggested that the Board of Railway Commissioners be overhauled for the purpose. But the members of the Duff Commission were apparently siezed of the danger of enlarging the powers of the Board of Railway Commissioners. Having before them the example of the Interstate Commerce Commission of the United States, from which every railway in that country prays to be delivered and which Al Smith recently suggested should be abolished, they were unlikely to favor such a body.

Two types of arbitral tribunal were suggested. For the purpose of settling ordinary disputes between the railways and for working out details of co-operative schemes it was proposed that an arbitral tribunal should be set up "for each occasion." Each tribunal was to be composed of the chief commissioner of the Board of Railway Commissioners and of one representative from each of the two railways.

Where larger matters were involved, involving important matters of policy, it was suggested that, at the request of either railway, the president of the Exchequer Court of Canada might appoint two additional members from outside the railways, making for such important matters an arbitral tribunal of five instead of three.

The arbitral tribunal that was established to rule on any single matter would deal with that matter and immediately disband. If another matter came up for arbitration there would be a new tribunal established.

E. W. Beatty, the president of the C. P. R., has made out a strong case against the appointment of such arbitral tribunals, his view being that there is danger of them usurping the functions of the shareholders and directors of the private companies with a consequent hazard to the private investment in the C. P. R. Against this viewpoint has been presented the argument that arbitration has been accepted by business generally as essential to prevent waste and to settle dispute; that the C. P. R. has probably more than the C. N. R. to gain from curbing wasteful competition; that the decisions will be judicial in character as it is accepted that the chairman of the Board of Railway Commissions, who will be chairman of the arbitral tribunals, must always be a lawyer, and will probably always be an ex-judge.

In any event, Parliament is putting the system into effect and it is in the interests of both railways and of the public generally to give the plan the fairest possible trial. If it fails to achieve the results desired then some other solution for the railway problem will have to be found.

BEAUHARNOIS GOES TO "POWER"

AS THINGS are shaping up it would appear that control of the Beauharnois Power enterprise will end up as an asset of Sir Herbert Holt's Montreal Power organization. This is the logical end of this great power development.

Two years ago when the Beauharnois scandal broke The Financial Post made the forecast that the only manner in which Beauharnois could finally be financed to completion was by linking it up with the financially impregnable Montreal Power, which not only had cash resources and credit but a growing market for power.

Montreal Power soon indicated its readiness to finance the Beauharnois enterprise to completion. But Prime Minister Bennett resisted the Holt efforts to obtain control. He preferred to facilitate the completion of the enterprise by guarantees of bank advances. These guarantees would never had been necessary had Montreal Power been given the financing job to do in 1931. But as Mr. Bennett said in the House of Commons on April 18, 1932 "the proposal did not commend itself to the government at that time."

In any event Montreal Power has made an offer to the bondholders' protective committee which they apparently have approved and will put before the bondholders. As to the particular merits of the plan in question, comment must be reserved until it is officially made public. The bondholders must be assured that the alternative plan of a Toronto group, who feel that they can finance the completion of Beauharnois to the better interests of the bondholders, has been given every consideration.

Beauharnois seems destined to become part of the Montreal Power group. This was inevitable almost from the start and the long delay in recognizing the fact has merely deferred final reorganization and has undoubtedly meant that the bondholders will receive less favorable terms than they would have received had Montreal Power's offer of co-operation been accepted in 1931.

"WHO PAYS THE PIPER . . . ."

THE Dominion Government has loaned some $40,000,000 to four western provinces. Most of this money has been loaned to the provinces to enable them to look after their own share of relief expenditures and is in addition to the contribution made by the Dominion government and municipalities. There have been some loans for purposes other than relief in order that the provinces might look after their obligations when borrowing in the open market has been difficult.

When the present emergency is over, the Dominion will be faced with the serious problem of determining how it is going to get its money back and there are those who feel that the Dominion will have to write-off large percentage of some of these loans on one pretext or another. The alternative is for the provinces to adopt the most Spartan-like financial policies over a term of years to permit them to reduce their public debts, whether to private investors or to the Dominion government, to bring them down to a figure more in keeping with their population and resources.

The four western provinces in question have been, during the past year, making some drives in this direction but it cannot be said that anyone of them has reduced public expenditure to the degree that it should have been reduced and could have been reduced. The reduction in their budget deficits are largely the product of increased taxation and borrowing to pay for expenditures that should be charged to current account.

It is the prerogative of bankers the world over to dictate the terms upon which they will loan money. No commercial banker will loan money to a private concern to see it through an emergency unless that concern takes the bank's suggestion as to ways and means of extinguishing waste. No properly conducted investment banking house will underwrite the bonds of a corporation that is borrowing merely to cover up extravagance.

The Dominion government then should refuse to loan money to any province that declines to put its own financial house in order. When the question was raised incidentally in the House of Commons the other day, the Prime Minister said:

> "As recently as the conference which we held this spring it was reiterated that the provinces would not permit us to discharge their functions. Everybody who knows the elementary principles of our constitution knows that we cannot force the federal power upon the provincial authorities. I still have confidence that the provinces can pay."

But surely the province that comes with its hat in its hand to borrow money should be prepared to accept some reasonable terms which would be imposed upon it by the government.

The prime minister would be fully justified in putting auditors into the books of the provinces in an effort to determine wherein savings in expenditures can be made and in insisting upon these savings before another dollar is loaned to them.

Unfortunately, Ottawa is not setting such an example in economy that its precepts would carry the additional weight of precedent.

NOT ALL CROOKS

PRESIDENT ROOSEVELT is on the right track when he campaigns against crookedness in high finance.

Greedy exploitation of the trusting public is not part of the doctrine of "rugged individualism." It is the worst foe of individualism under the capitalist system of economy.

These sentences in Roosevelt's speech stand out as the courageous policies of an honest man:

> "Practices of the unscrupulous money changers stand indicted in the court of public opinion, rejected by the hearts and minds of men.
>
> "There must be an end to a conduct in banking and in business which too often has given to a sacred trust the likeness of callous and selfish wrongdoing.
>
> "There must be an end to speculation with other people's money."

But the president made his accusation general rather than specific. It is as foolish to call all bankers and financial chieftains incompetent and dishonest as it would be to put Franklin Roosevelt and his friend Huey Long in the same class. The president did not speak more than half truths when he said:

> "The rulers of the exchange of mankind's goods have failed through their own stubbornness and their own incompetence.
>
> "Their efforts have been cast in the pattern of an outworn tradition.
>
> "They know only the rules of a generation of self-seekers. They have no vision."

Many of the magnates of exploitation have been cleaned out by the depression. Governments, in their function of policing the property of the people, can help to keep the thieves and knaves out of finance, which is a noble field of service for honest and capable people.

In giving the people of the United States "discipline and direction under leadership" the president will have to work through honest and capable "money changers" and the efforts he will make will turn out to be very largely "cast in the pattern" of what he calls "an outworn tradition."

RAILWAY RATES, WAGES AND CAPITAL

IF THE present price level persists there will be a demand for lower freight rates on railways. The Coolidge committee on railways in the United States reported:

> "A permanent and universal liquidation and downward adjustment of values and incomes of all kinds have occurred in this country. Railroad rates, capital structures, salaries and wages must all respond to this generally changed condition. None should be sacrificed for the benefit of others."

Farmers will find it difficult to pay even the present low Canadian rates if there is not substantial recovery in prices. The president of the Canadian Lumbermen's Association, J. S. Gillies, of Braeside, Ontario in his annual address recently said:

> "Figures from the United States Interstate Commerce Commission show that wages to railway employees in the United States are now about 130 per cent above prewar rates while their freight rates generally are about 50 per cent above prewar rates, while commodity prices (including lumber) are below the 1913 base price. In the meantime the railways are paying high rates of wages, hauling little freight and have many of their men idle."

Crux of the railway rate situation is in wages and working regulations.

Railway labor, if it fights to maintain wage schedules will meet the opposition not only of railways but of farmers, lumbermen, etc.

The Coolidge committee said capital structures must respond to changes in the price level. In the case of the C. N. R., rates are not fixed on a basis of earning anything on the country's investment. In the case of the C. P. R. the capital structure consists largely of stocks—not largely of bonds as in the case of the U. S. railroads—and the passing of dividends on these shares and their decline to new lows represent for the time being a deflation of capital structure that in the United States can only come from receiverships and reorganizations with the bondholders taking huge losses.

GOOD PRECEDENT

ON MONDAY last, His Excellency, the Governor-General unveiled a tablet on a Toronto factory, commemorating the 50th anniversary of the founding of the company. It was not entirely a novelty for a Governor-General thus to participate in the celebration of the anniversary of a private business but it is a practice that His Majesty's representative in Canada has seldom indulged in.

In Great Britain, it is a frequent event for the King, some member of the Royal Family or a high minister of state to be associated in some way with the functions commemorating the establishment of large concerns or marking the erection of an important new building, factory or other privately-owned works. When they are, they emphasize the fact that the success of a business built on right lines is a matter for general congratulation and of benefit to the whole country.

In this country, our public men have inclined too greatly to the view that they should refrain from recognizing success in private business. Possibly they have felt that they should not show favoritism as between one company and another. Possibly their policy has been a concession to the popular viewpoint that a company can only succeed by taking advantage of the public or by grinding down its workmen. There have indeed in Canada been cases of profiteering where companies have had monopolies or undue advantages and have achieved great wealth by artificial means rather than by efficient management, good salesmenship and elimination of waste. But these examples are in the minority.

The organization that can run its business successfully and at a profit and give employment to a number of men is doing a real service to the country. Any business that is well established and run on sound lines will contribute most notably to general recovery.

It was a happy decision on the part of the Governor-General to recognize this old Canadian company. Praise is due to him for not raising petty objections based on commercial jealousy.

EDITORIAL NOTES

March came in like an economic and political lion. Will it go out like a lamb?

* * *

Brutal but realistic liquidation is the order of the day in the United States.

* * *

Dropping the idea of scrip meant that the U. S. had to get along without "Woodin" money.

* * *

That intelligent American business men really want war debts revision is shown by the fact that 92 out of 107 U. S. business paper editors say so and they know what business is thinking.

* * *

Reviews of Toronto and Montreal stock exchanges have been occupying the space usually given to the New York stock market in American papers. The world may long remember the courage of Canadian exchanges in staying open throughout the U. S. crisis.

POST-scripts

IT IS said that that great newspaper circulation builder, the social column, is a difficult assignment to handle. Though readers are more than anxious to "see their names in the paper" they are equally quick to criticize the most trivial error. Tact, therefore, is a vital attribute of the editor, while, in small towns especially, no action of any member of the community must be overlooked. Both these virtues were evident in an illuminating item in the social page of a country daily which recently stated "Mr. George Snede has returned to town from where he has been visiting for the past 90 days."

THE Toronto Daily Star this week took another publication to task for an error in some figures.

In the same issue of the Star there appeared a mistake so ridiculous that one wonders how it could possibly have been perpetrated. There is an article telling of the unveiling of a plaque on a factory in Toronto, a ceremony at which the governor-general presided.

The Star's story starts off its second paragraph as follows:

> "As time runs, the rubber business is one of the newer industries," Charles N. Candee, president, declared, in his address of welcome.

It then proceeds to quote Mr. Candee's address at some length and to describe the ceremony of unveiling.

There is only one thing very seriously wrong. Mr. Candee died months ago.

In the Mail

Audit of Massey-Harris

Editor, The Financial Post:

I have before me the last balance sheet of Massey-Harris. The auditors' report reads in part:

"...net current assets including cash in foreign countries which have placed certain restrictions on the export of funds, aggregate approximately $4,500,000. Subject to the foregoing and to the adequacy of the reserves against receivables, inventories and fixed assets, we report that, in our opinion, the above consolidated balance sheet correctly sets forth..."

Owing to faulty punctuation, the first part (as to net current assets) is ambiguous. As for the remainder, one gathers that the auditors are satisfied that certain items are correctly stated, but they give no opinion on others. Taking the most favorable view, they are satisfied as to assets totalling $4,000,000 out of a total of $45,000,000.

Are the shareholders satisfied? Do they consider this a proper discharge of duties?

DOUBTING INVESTOR.
Toronto, March 11, 1933.

Asks Sterling Link

Editor, The Financial Post:

"The Nation's Business" in your issue of March 11 strikes me with the impression that its author has a bad dose of what might be diagnosed as economic jitters. From start to finish, it deals in critical platitudes and veiled politics without offering a single constructive idea or effort to face realities.

"The great mass of sober-minded, hard-working citizens of Canada want" (quoted from your article) to know what you mean by "balanced budgets." It seems to me that you are indulging in a lot of economic and political ballyhoo in your statement, "If there is not enough courage and financial genius in the government to recognize the dangers of the present policies then the remedy will have to come in another way." What "the great mass of sober-minded, hard-working citizens of Canada want" is an end to carping political criticism and a measure of sound leadership and direction to improve domestic trade, industry, production and employment, designed to enhance the ability of these same citizens to live and pay taxes.

If the United States banking crisis means anything, it blares forth the necessity for a new relation between gold, world currencies and commodities. United States must revise her banking laws, but if definite action is not taken to adjust her currency by lessening its value in gold to the extent that credit withdrawn from investment in commodities is reinvested and commodity trading is brought back to normal proportions, the banking crisis shall have been in vain. Let United States initiate this action, and it shall not take long for Great Britain, Canada and the rest of the world to get back on to a gold basis with national debts reduced to the extent of the revaluation of currencies.

Meanwhile, Canada has regulated the deflationary process, thanks to the "courage and financial genius in the government" better than any other country in the world, bar none. The balancing of the federal budget is an important consideration, but it is far from being the great national problem "The Nation's Business" tries to picture. Balancing the budget depends upon the ability of the citizens of Canada to pay, and the greatest national problem today is to enhance such ability. If the turn in affairs is not initiated by United States action, it is then up to Canada to stabilize her currency with sterling, and sink or swim with the Empire. The budget can be balanced very readily by the upturn of domestic trade and employment to be induced by a policy of managed currency and price inflation.

It is well, however, at this juncture to wait for such definite action as will be taken by United States.

E. S. BATES.
Montreal, March 10, 1933.

Deflating Government

Editor, The Financial Post,

I am a constant reader of your paper for I take an interest in financial statements and like to study the cause of failure and success. The state of the government finances surprises me. Quebec is the only one to show a creditable statement. We have ten million population and one Dominion government and eight provincial governments. If that's not extravagance, what is?

The time has come for provincial governments to disperse and in their place for us to be content with provincial councils of two or three members elected to sit in the House of Commons to look after their province's interests.

F. J. BRADLEY.
Winnipeg,

Tax Public Ownership

Editor, The Financial Post:

I noticed in your issue of Dec. 24, your editorial on the Hydro question headed, "Should nip in the bud this colossal waste." It is right to the point. The people want a publicly-owned plan to make opposition even if it spoils things for a private company. Any public owned plant that is of a commercial or business nature should pay taxes when it is of a competing nature with private ownership.

I also noticed a letter from a western merchant. One point in his letter is the high wages of railway employees. Farmers' income is away down; railway employees income away up from pre-war level. If railway employees got the wages of 1913 they would be getting quite sufficient, and probably we could then lay Alberta coal down in Ontario. Railway rates cannot be raised if we are to meet world competition.

CITIZEN.
Waterford, Ont.

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

By F. S. C.

ADOLF THE FIRST

IS GERMANY under the heel of the tyrant? Is Chancellor Hitler going to be another Mussolini? Is Germany menacing the peace of the world?

Fair questions these. But unlike the questions in the public school arithmetic, the answers are not in the back of the book.

* * *

HITLER, native of Austria, but formerly an officer in the German army, has assumed supreme command in Germany. He will proceed forthwith to abolish the ordinary parliamentary machinery of democratic government. He will abolish personal liberty, freedom of speech, and most of the other trappings of democracy. He served ten months in prison nine years ago for opposition to the established government, but his cell was little worse than a private office, and when he left the warden of the prison was a Nazi. But the people he will put in prison may not have such an easy life.

Superficial, a weakling in economics, Hitler is a blustering and threatening, but eloquent leader of the discontented. He promises little; he has no policy, but he knows how to condemn the existing order and malign the leaders of the past. Germany does not rally behind him because of any promises he has made, but Germany rallies behind him as he bares the machinations of the people's foes at home and abroad.

* * *

SEASONED observers give Hitler many years in command of Germany. What will those years bring forth? It is too early to answer, but it is not too early to take a look at the men around him and to study the circumstances under which he came to power. Dr. Walter Kotschnig, Austrian publicist, who spoke in Toronto this week, revealed that even Hitler is not supreme. For Hitler, viewed as one of a group, is less menacing than Hitler considered solus.

Hitler represents a minority in Germany, but the Nazis or National Socialists are the largest single group in the country, as the recent elections showed. They have gained rapidly in numbers. Most of the younger generation, the disillusioned post-war youth who arrived at maturity in a disordered world that seemed barren of opportunity, are stalwart backers of the fiery Hitler. He gives them not only uniforms, parades and a chance to cheer for a leader, but also a chance to jeer at the past.

Back of Hitler too are the impoverished middle classes, victims of the war and the mark inflation. Appalling are the economic conditions in Germany which since 1914 has had only two years of near prosperity and these in 1927-1928 when American investors made the reparations payments and provided capital for new buildings. But this taste of prosperity was short and quickly ended and it merely aggravated German economic and social discontent.

* * *

THESE groups have searched for a new order. Communism is repellent to the German instincts. Moderate Socialism — government control of all activities—is not. For 150 years the German people have been brought up on discipline. The German people prefer regimentation to individual initiative. It is what they understand best. Hitler exploits that trait.

But Hitler stands not alone, and the best hope of peace for the world, and stable government for Germany lies in the fact that he is not an absolute dictator and cannot be a tyrant. Vice-Chancellor Franz Von Papen is his chief associate. Von Papen beat the gun when he resigned. He saw defeat coming. He put Hitler in power. In the measure that Hitler is dominated by Von Papen will his extreme radicalism be held in check. If Hitler were Mussolini then he would chafe under restraint. But Hitler is not as strong as Mussolini. He made the compromise to get what he wanted, the chancellorship.

* * *

COMPROMISE in another direction, too. Third of the dictatorship trio is Hugenberg, capitalist, newspaper magnate, representative of the old vested interests, and holder of several key posts in the new cabinet—finance, communications, agriculture, etc. He is powerful; he will make concessions to obtain final protection; but protection against Communism he demands and will get from Hitler.

These three, strangely assorted, now rule Germany. If they stick together Hitler may give Germany a stable if firm government for several years.

They will strive to make Germany self-supporting, but they will work with other nations in tariff and monetary compromises, according to Dr. Kotschnig. Above all they want to give Germany economic peace.

They would prefer disarmament to a renewed race for military power. They will not respect the Versailles treaty, and until the Eastern provinces are again rejoined to Germany through the elimination of the Polish corridor, they will not rest. It is doubtful if they seek to attain political or economic power by war. Peace is their best road to their objectives.

Frightened newspaper correspondents in Central Europe say that the sabres are rattling and the war clouds hang low.

It is a little early to be quite so alarmist. But the Polish corridor promises to keep statesmen astirring in 1933.

Walker Biography Tells of Busy Bankers' Life

With Muses as Companions, Commerce Chieftain Pushed Forward to Variety of Objectives

Sir Edmund Walker — who for more than fifty years served the Canadian Bank of Commerce in a variety of positions ranging from the most junior situation to general manager and then president—is the subject of a new biography by G. P. de T. Glazebrook, assistant professor of history in the University of Toronto. It is the story of one of the busiest lives ever lived by a Canadian citizen—for there were no limitations to Sir Edmund Walker's intellectual curiosity and he sought to be an authority not only on banking, but on such subjects as palaeontology, painting, Japanese lacquer, Chinese vases, music, history and the management of museums and art galleries.

Mr. Glazebrook's biography sketches in the story of Sir Edmund, the banker, but most emphasis is laid upon the "extramural" activities of the Bank of Commerce chieftain. Thus the volume is to be regarded as more interesting as a contribution to the history of art and art galleries in Canada and of such institutions as the University of Toronto, the Royal Ontario Museum and the National War Records than as a notable contribution to Canadian banking history.

Typically Canadian?

In a foreword, Sir Robert Falconer says that Sir Edmund was a Canadian and indeed could have come from no other country than Canada, but that he was unlike the average Canadian. It is an interesting estimate. Sir Edmund was ambitious and pushful, he brooked no interference with his plans and he made an army of enemies and critics, yet he moved forward to his successive objectives with the muses as his companions.

Few of our non-political public men have had such devout admirers and such unfriendly critics.

Writing for Posterity

Prof. Glazebrook's biography, while not "official," is friendly and uncritical. It is rich in story and fact and illuminates many events of the past two generations in Canada but it definitely does not explain Sir Edmund Walker's peculiar genius or his individual personality. But it is a biography that needed to be written in order to preserve some at least of the records of Canadian life to which Sir Edmund Walker made notable contributions. A larger selection of Sir Edmund's private letters and of extracts from his diary would be interesting and illuminating, although it may yet be too early to publish such a volume. There are some extracts from his diary in this book but not enough. The diary extracts display one side of Sir Edmund's character. All of them are written with the precise nonchalance of the man who knows his diary will some day be history.

It is an interesting biography, decidedly worthy the two hours that is required in the reading. To the men of middle age or older it will revive memories of many front page controversies of recent years on such subjects as German professors, selection of artists, etc. When one looks back and considers the heat that was wastefully expended upon the discussion of subjects that seemed to be of primary importance at the time they were on the front pages and that are now dead issues, one can be more philosophical about some of the controversies in today's newspapers.

Mr. Glazebrook's "Sir Edmund Walker" is published by the Oxford University Press, Toronto, at $3.

Other Peoples' Views

Adversity Blocked Hoover

New York Times: All of the political blueprints which Mr. Hoover prepared in advance for his presidency were drawn to the grand scale of prosperity. That he expected it to continue and even to swell into a greater diapason of complacent pride can hardly be doubted. His campaign speeches in 1928 and the large plans which he took with him into the White House are sufficient evidence on this point. The result was that when prosperity shrivelled and crumbled in his hand, all his calculations were out. He had to steel himself to become, instead of what he had hoped, a President of Adversity. For this he strove with might and main to fit himself, but the struggle often seemed unavailing and was sometimes painful. There was something heroic about his posture, but to many it appeared sadly like that of a modern Laocoon, caught in the coils of business disaster, and with the serpent of frustrated hopes and unfulfilled predictions and broken campaign promises sinking its fangs into his side.

"Sure Fire"

The Standard, St. Catharines.—The Financial Post this week lays down a sure fire aid to general recovery in Canada in the following:

1. Balance the federal budget.
2. Balance all provincial budgets.
3. Reduce local taxation.

John Citizen will heartily give three cheers for all three objectives and three more when they are attained.

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CONSOLIDATED ANNUAL STATEMENT
Years Ending December 31st

ASSETS

	1932	1931
Plant Investment	$34,195,845.87	$33,864,097.02
Cash on Hand and in Bank	52,352.52	26,575.52
Call Loans	....	65,297.44
Accounts Receivable	345,762.06	348,003.47
Investments at Cost Value	361,660.00	....
Merchandise, Materials and Supplies	280,230.57	284,106.11
Mortgages Receivable	....	1,500.00
Deferred Charges	99,253.03	135,809.31
	$35,335,104.05	$34,725,388.87

LIABILITIES

To the Public:		1932	1931
Funded Debt		$17,000,000.00	$17,000,000.00
Accounts Payable and Accrued Liabilities		297,160.26	284,206.85
Dividends of Subsidiaries payable Jan. 1933		24,771.00	24,888.00
Preferred Dividend Payable 15th Jan. 1933		96,250.00	96,250.00
Common Dividend payable 25th Jan. 1933		75,000.00	75,000.00
Bond Interest Accrued		141,041.66	141,666.68
Customers' Deposits with Interest Accrued		120,343.82	109,884.40
		$17,754,566.74	$17,731,895.93
To the Public Shareholders of Subsidiaries:			
Capital Stock—			
Preferred		1,466,000.00	$1,466,000.00
Common		257,053.50	267,866.82
Minority Interest in Profit and Loss		17,275.06	18,166.28
To the Shareholders—Canada Northern Power Corporation, Limited:			
Capital Stock—			
Preferred (7% Cumulative Shares of $100. each par value) (Callable at $110. and accrued dividend after 60 days' notice.)			
Authorized	75,000 shares		
Issued and Outstanding	55,000 shares	5,500,000.00	5,500,000.00
Common (No Par Value)			
Authorized	500,000 shares		
Issued and Outstanding	375,000 shares	1,848,796.00	1,848,796.00
Reserves—			
Depreciation		6,908,972.31	6,323,882.46
Miscellaneous		119,504.14	119,004.50
Paid in by Subscribers to Capital Stock		84,865.86	110,182.02
Profit and Loss		1,378,070.44	1,339,594.86
		$35,335,104.05	$34,725,388.87

REVENUE ACCOUNT
For Year Ending December 31st, 1932

Gross Earnings		$3,456,771.65
Expenses	$1,067,691.27	
Interest (including U.S. Exchange thereon)	960,189.12	
Bad Debts	4,141.00	
Balance	1,424,750.26	
	$3,456,771.65	$3,456,771.65

PROFIT AND LOSS ACCOUNT

Balance at Credit December 31st, 1931		$1,339,594.86
Deduct: Prior Year Adjustments	$ 2,964.90	
Less: Minority Interest adjustment in previous Profit and Loss	763.37	2,201.53
		1,337,393.33
Earnings for the year ended Dec. 31st, 1932		1,424,750.26
Minority Interest of Subsidiary in Annual Profit and Loss		127.85
Dividends on Preferred Stock of Subsidiary Company	87,960.00	
Dividends on Common Stock of Subsidiary Company	11,241.00	
Dividends of Preferred Stock	385,000.00	
Dividends on Common Stock	300,000.00	
Depreciation	600,000.00	
Balance at Credit December 31st, 1932	1,378,070.44	
	$2,762,271.44	$2,762,271.44

Approved on behalf of the Board: A. J. NESBITT, JAS. B. WOODYATT } Directors.

Audited and certified in accordance with our certificate dated March 8th, 1933.
(Signed) P. S. ROSS & SONS, Chartered Accountants.

Business Conditions in Canada

The Week in Business

Better Prices Expected For Commodities

SOME important Canadian firms have been stocking up with supplies of non-perishable raw materials in the last week or two, in expectation of higher commodity prices. Purchase of two to three months' advance supplies seems to have been the policy followed. For obvious reasons this has not been done with perishable goods, such as meats. The weight of opinion among Canadian buyers and consumers of commodities appears to favor higher quotations.

Closing of United States commodity markets has made it difficult to ascertain the trend of some commodity prices on this continent. Non-ferrous metals, wheat and cotton have been quoted at higher levels in the United Kingdom, however.

The influence of foreign exchange quotations on commodity prices at present should be noted. The reopening of dealings in foreign exchanges in the United States resulted in lower quotations for sterling and Canadian dollars. At the same time, wheat, for example, was quoted higher at Liverpool and Winnipeg. This would appear to indicate that the improvement in some commodity prices is fairly general, but it is another matter to tell whether it is merely temporary.

* * *

New Chevrolet Price Is Disappointment

FIRST of the two awaited lower-priced cars, the Chevrolet Standard Six, has proven rather a disappointment to the Canadian motoring public as far as price is concerned. Many of the gadgets, such as "No-Draft Ventilation" and skirted fenders, which it was expected would be eliminated have been retained and the price of $730 for the standard coupe delivered complete in Toronto, while about $100 below the figure for the big 6, does not flirt with the $500 figure which was expected in many quarters.

No definite announcement has yet been made regarding the new car to be produced by Ford but general opinion seems to be that it will not require any tremendous effort on the part of that manufacturer to produce a car at a price below the current market low.

* * *

Coal, Pulp and Paper Loadings Reduced

WHILE the effect of the United States banking moratorium which went into force on March 3 cannot be directly seen in the car loadings returns for the week ended March 4, it is significant that pulpwood, pulp and paper and lumber loadings, three of Canada's largest exports to the United States, are all lower than in the previous week. Just how severe will be the curtailment in the movement of these lines will appear in figures released during the next two weeks. There seems little doubt that the situation in the United States will have the effect of cutting about 2 weeks from the year as far as trade with Canada is concerned.

Car loadings in the week ended March 4 were somewhat higher in aggregate than in the previous week but the increase was insufficient to take care of the usual seasonal increase and, as a result, the index number fell from 59.25 to 57.46. Loadings in the western division suffered from reduced movement in coal although grain loadings were heavier than in the previous week and in the same week of 1932. Loadings were higher in the eastern division, only coal and forest products of all kinds being less than in the previous week, while grain and coke loadings were higher than a year ago.

Wholesale price indices for February, released during the week, showed a decline in almost all groups. A fractional decline in the value of farm products was perhaps the most important as it occurred in the face of a good increase in prices of field crops and was attributable to a general falling off in livestock and animal products prices. The index of retail prices and cost of services also showed a drop owing to a seasonal decline in prices of butter and eggs as well as lower quotations for meats and lard; gasoline prices were also reduced during the month and affected the general miscellaneous indices.

Exports of Flour Drop in February

From Our Own Correspondent

MONTREAL.—Exports of flour in February amounted to 333,114 barrels compared with 337,513 barrels in the same month last year while values were lower by $175,000 at $1,009,067.

For the seven months ended February 28 exports of Canadian flour were 3,043,604 barrels valued at $9,580,287. In the same period in the previous year exports were 3,234,318 barrels which had a value of $11,154,194.

Noteworthy is the fact that exports to the United Kingdom have increased, totalling 1,395,565 barrels in the seven month period ended February last contrasted with 1,227,819 barrels in the corresponding months of the previous year. Exports to other countries, however, declined in an amount more than sufficient to offset this gain.

Calgary Power Company Limited

5% First Mortgage Bonds
Due April 1, 1960

Principal and interest payable in Canadian or United States funds.

Price: At Market, to yield about 6.80%

Particulars on request

Royal Securities Corporation Limited

244 St. James Street MONTREAL — 330 Bay Street TORONTO 2

Offices in all Provinces

TOURIST TRADE CREDIT BALANCE $150,000,000 IN 1932

Fewer Tourists Reported But Expenditures Greater Than in 1931

Canada had a favorable balance of trade from tourist business of $136,000,000 in 1932, according to the estimate made by the Dominion Bureau of Statistics, compared with $175,000,000 in the previous year. As most of the revenue in 1932 was in United States funds, however, it is estimated that the credit balance to Canada is approximately $150,000,000 Canadian funds.

British and foreign tourists entering the country spent $194,000,000, according to the estimate, while Canadians spent $58,000,000 in other countries during the year. The former figures show a decline of $57,000,000, or 23 per cent from the previous year while the latter figure is down $18,000,000, or the same percentage.

This official estimate of the Dominion Bureau of Statistics is extremely close to the estimate made by The Financial Post Business Year book three months ago, the figures being given as $188,000,000 and $61,000,000, at that time.

Chiefly Auto Tourists

Tourists entering Canada by automobile from the United States were the biggest source of revenue as in other years. Although this class of travel showed a substantial decline from 1931, data secured by means of questionnaires established the fact that, on the average, these tourists remained longer in the country than in former years and therefore the per capita expenditure was higher than formerly. Per capita expenditure was set at $11.50 for the 24 hour class, $106.25 for the 60 day class and $582 for the 6 month class as compared with $11, $102 and $510 respectively in 1931.

Applying the above rates to the various classes, the expenditures of automobile tourists are estimated to have been approximately $145,307,000 as compared with $188,129,000 in 1931.

Other Tourists

While returns from railway and steamship companies are not yet complete, a provision estimate of $38,000,000 has been set for this class of business on the basis of those returns which have been received, this being a decline of $12,000,000 from 1931.

Expenditure of Canadians abroad is roughly divided between tourists leaving by steamer, and automobile tourists in the United States. In the former class, average rates of epxenditure were slightly lower than in the previous year owing to lower steamship and service rates, the scale adopted being $1,175 for saloon passengers, $925 for cabin passengers and $475 for third class passengers, these rates each being $25 less than the basis used in 1931. Expenditure of this class totalled $19,255,000 compared with $19,550,000 in 1931.

Canadian automobile tourists in the United States were greatly reduced in number, the totals being 376,857 and $536,855 respectively. An average rate of $72.30 was adopted on information received and the total expenditure in 1932 was therefore $27,247,000 compared with $40,264,000 in the previous year.

Business Briefs

Coal Output of the Dominion Coal Co., Glace Bay, N.S., in Feb. marked a new low record in the history of the company with only 132.606 tons raised to the surface compared with 138,529 in January and 161,339 in Feb., 1932.

Fish Landings in Nova Scotia in January totalled 6,805,800 lbs. having a landed value of $183,862, as compared with 9,250,700 lbs. with a landed value of $212,319 in Jan., 1932.

Lumber Mills reporting to the West Coast Lumbermen's Assoc. operated at 21.7 per cent of capacity in the week ended Feb. 4, compared with 21.5 and 21.3 per cent in the previous week and the same week of last year respectively. During the week 164 of the plants were reported closed and 88 in operation.

Car Loadings for the week ended Mar. 4 totalled 34,211 cars. an increase over the previous week of 272 cars but insufficient to maintain the seasonally adjusted index, which fell from 54.58 to 53.64.

Wheat Stocks in elevators in the week ended Mar. 3 totalled 223,956,074 bu., a slight decrease from the previous week's total of 224,964,807 bu., but considerably higher than the 184,920,044 bu. recorded in the corresponding week of 1932.

Wheat Exports for the week ended Mar 3 totalled 3,492,869 bu., compared with 3,069,007 bu., in the previous week and 2,531,789 bu. in the corresponding week of 1932. Vancouver handled 50 per cent of exports, and U. S. Atlantic ports 35 per cent.

Immigrants entering Canada in January numbered 700 as compared with 1,067 in Jan., 1932, a decrease of 34 per cent. Of the 1933 total, 513 came from the United States and 96 from Great Britain.

Average Value of the pound sterling for special duty purposes has been set at $4.14 effective for entries during the period Mar. 16 to 31 inclusive.

Failures under the Bankruptcy Act in the week ended March 4 numbered 40 compared with 51 in the corresponding week of 1932. For the year to March 4 failures totalled 374 compared with 432 in the same period of 1932, a decrease of 13 per cent.

New Sterling Value Needed for Import Duty

Government Called $4.40 "Fair" for Dumping Duty and $4.86 for Ordinary Duty But Both Are Now Obsolete

That dutiable British goods entering Canada were discriminated against when the valuation of sterling for ordinary duty purposes was maintained at $4.86⅔ after Great Britain went off the gold standard, seems evident from a statement made in the House of Commons by Hon. E. B. Ryckman, Minister of National Revenue.

Mr. Ryckman admitted that, for dumping duty purposes, $4.40 was considered a fair value, and that the ten per cent rise in wholesale prices in Great Britain at the time these valuations were fixed, influenced the government to reduce the dumping duty valuation to 10 per cent below the gold value. For ordinary duty purposes, however, no change was made from the gold parity.

The statement made by the Minister of National Revenue was in reply to a question arising out of an article, in a previous issue of The Financial Post, which pointed out that, as wholesale prices in Great Britain were now adjusted to sterling valuations in world markets, both valuation at $4.86⅔ and dumping duty on a $4.40 basis, were obsolete and unfair. Mr. Ryckman was asked if the government were considering any action in the matter.

Defends Attitude

He replied that he felt that it would be unwise to consider any alteration in the system at the present time, at least until exchange quotations became more stabilized. In defending the valuation at $4.86⅔ and the establishment of a dumping duty, Mr. Ryckman said:

"Action could perhaps have been taken by way of special surtax or quota system as has been done by other countries which were faced with unfair competition from countries whose currency had become depreciated, but we adopted the more moderate course of endeavoring to maintain so far as was possible the status quo, with this slight exception that having regard to the fact that there had been an increase in commodity prices in Great Britain variously estimated by experts at the time at anywhere from seven per cent to ten per cent, we decided that although regular duty would be assessed on the basis of $4.86⅔ to the pound sterling, special or exchange dumping duty would only be collected on the basis of $4.40 to the pound sterling, which represents approximately a discount of ten per cent from the par value."

Excellent Temporary Expedient

As a temporary expedient to prevent unfair competition from British manufacturers when Great Britain went off the gold standard and until her internal prices were adjusted to the new sterling values, the maintenance of a rate of $4.86⅔ for duty purposes was perhaps a necessity. But to maintain this valuation when the figure bears no significance to the present English pound and when internal prices in that country have been adjusted to world levels, can only be termed unfair.

As was pointed out in a previous issue of The Financial Post, the level of wholesale prices in Great Britain is now about seven per cent higher than in Canada, both prices calculated on the base of 1926 equals 100, while prices in 1931, or just prior to Great Britain's flight from gold, were about seven per cent lower than those in Canada. Costs in Great Britain, therefore, are approximately 14 per cent greater than in 1931 compared with those in this country.

Dollar Value Adjusted

This increase of 14 per cent in commodity costs would naturally place the British manufacturer at a disadvantage with the Canadian were it not for the fact that sterling is currently valued at a discount of approximately 14 per cent from the gold parity and, therefore, the increased sterling price when changed into dollars gives an amount the same as in gold standard days.

Comment in Canadian daily newspapers on Mr. Ryckman's statement in the House, confused, for the most part, the dumping duty ruling and the sterling valuation at $4.86⅔ for ordinary duty purposes. Conservative newspapers rushed to the support of the government in the matter of dumping duty and brought out all the usual arguments for its retention, the chief one being, that elimination of this dumping duty would wipe out the tariff on many items and in some cases provide a bonus for British manufacturers. This, of course, is only applicable when sterling is quoted considerably lower than it has been for the past few months.

Apparent Lack of Consistency

There is one further point which seems to have been missed by both the Minister of National Revenue and his questioner. Nearly all large European countries, since the Great War, have gone off the gold standard and wilfully depreciated their currencies, to later establish them in terms of gold at from one fifth to one millionth of the former value of the currency. But these countries are charged for duty at their new parities and not at the old!

Because Great Britain does not consider it wise to establish a fixed lower valuation for her currency, the old and obsolete gold parity is retained!

Do Something Now

The Financial Post considers that the time is past for discriminating against British goods by an unfair and obsolete yardstick, since prices in Great Britain have been adjusted to such an extent that admission of British dutiable goods at the current rate of exchange or at a fixed figure near the current level of sterling, would only be keeping faith with the Canadian importer and the British manufacturer.

Higher Trend Seen Possible In Commodities

With commodity markets closed in the United States, the price changes of the past week in unofficial trading are difficult to estimate, but it would appear that hope or fear of inflation has gained an outstanding victory over restricted credit and that a general rise in commodity prices has taken place or will take place. The two Canadian indices, wheat and steers, certainly made sharp advances during the past week and some commodities in London, Eng., such as non-ferrous metals and cotton, were quoted higher.

Commodities which are imported into the United States were generally quoted higher on the belief that even mild inflationary measures will have the effect of reducing the world value of the United States dollar.

The Annalist, New York, points out that there is actually little in the present situation to justify any advance and that a relapse to pre-crisis levels is a probable immediate result of effective facing of the banking situation. The proviso is added, however, that deliberate inflation will undoubtedly cause a continuation of the present advances to unpredictable levels.

Commodity Prices

Commodity Prices at Wholesale‡

	Week ending Mar. 11	Previous week	Same week last yr.
Cattle, (cwt.)	$4.75	$4.25	$7.00
Copper, lb.	.05	.05	.06
Cotton, lb.	.0635	.0595	.0715
Rubber, lb	.0297	.0285	.0358
Silk, lb.	1.20	1.20	1.67½
Sugar, raw, lb.	.0287	.0285	.0286
Wheat (Man.) bu.	.50⅞	.48⅛	.65⅞
Hides, lb.	.04½	.04½	.06½
Coffee, lb.	.08⅛	.08½	.07¼

Commodity markets in U.S.A. were closed during the week so prices with exception of wheat and cattle are latest available.

Weekly Indices*

N. Y. Annalist	80.4	79.8	91.8
Fishers'	55.0	55.1	†62.0
N. Y. Journal of Comm.	54.9	53.0	59.5
Crumps (Brit.)	59.8	60.0	†62.4

*N. Y. Annalist base, 1913; others, 1916. †Average 1932.

Monthly Indices

	Latest w'sale	Prev. month	Same month last year
Canada (D.B.S.) (Feb.)	63.6	63.9	69.2
Retail (Feb.)	79.0	79.7	84.5
U. S. Labor (Jan.)	61.0	62.6	67.3
Gt. Brit. (Jan.)§	46.9	46.0	50.5

‡Basis of price quotations is as follows: cattle — steers, good, over 1,050 lbs., top price, Toronto; copper—electrolytic, New York; silk—Japanese, 13-15, New York; sugar—96 degree centrifugal c/f New York; wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; coffee—Rio, No. 7, spot, New York.

§Converted to U. S. dollar equivalent.

New Industries

Pyle National Co., headquarters of which is in Chicago, Ill., has established in Montreal and will make headlights, turbo-generators, etc., for locomotives. About fifteen men will be employed to begin with. N. J. Holden Co. are Dominion selling agents.

Big A Oil Burner Co., of Chicago, will locate in Belleville, Ont., and manufacture there for the Canadian and British Empire market, it is announced. The Canadian subsidiary will be known as the Big A Co. of Canada. Garnet Rowsome, formerly with Stewart-Warner Co., will be president and general manager of the new company, and Meyers Harris, sales manager.

Mimeograph Co., Ltd., Toronto, has commenced production of mimeograph machines for the Canadian and British Empire market. The company, which is the Canadian subsidiary of A. B. Dick Co., of Chicago, has been operating since last February, manufacturing stencil paper and ink.

Brown Knitting Co., of Collingwood, which was reported in a previous issue as likely to move its headquarters to Kincardine, Ont., has been refused financial support by the Kincardine council. It is stated that local assistance may be found should the change go through.

BETTER OUTLOOK SEEN IN 1933 FOR FUR BUSINESS

Winnipeg Sales Set New Record — Mink and Fox Leaders

Although figures recorded at the Winnipeg fur sales are reported to be better than in any previous year, and good demand experienced, the fur industry in its other two large centres, Toronto and Montreal, suffered greatly during 1932 from lower consumer purchasing power and generally unseasonable weather, according to a survey of the situation made by the Dun & Bradstreet Weekly Review.

Even in Winnipeg, where sales of raw furs were better, output of manufactured furs in 1932 declined between 25 and 30 per cent from 1931 and values were about 30 per cent lower, it is stated. Nearly all lines of furs were lower in price from the previous year, both at wholesale and retail, the only advances being recorded in some fancy furs, such as silver and white fox and mink.

1933 Prospects

Prospects for the present season in Winnipeg are reported to be good and while demand has fallen off considerably throughout the Prairie Provinces, the trade considers that the outlook for fur is better than in many other lines of apparel. One feature of the new season has been the revival of demand for badger, while there is a particularly strong demand for wolves, sufficient quantities not being available to meet it.

The quantities of merchandise handled by the Dominion Fur Auction Sales, Ltd., since the season began never have been exceeded at this date in Winnipeg in any previous year, according to this review. Early February sales of collections of McKenzie River, Western Arctic and Northern Manitoba furs saw exceptionally good bidding on all articles except muskrats and beaver, and some heavy advances were recorded.

Minimum Inventories

In both Montreal and Toronto the situation is not so bright, decreases in volume and value being the general rule. Perhaps the only redeeming feature of the situation as far as these two cities are concerned is the extremely limited amount of manufactured merchandise on hand. All branches of the trade, it is stated, have been extremely careful to maintain inventories at a minimum, consistent with reduced buying power.

Demand for trimmings for cloth coats has made itself felt in the industry and has done something to keep up sales. Flat furs appear to be in greater demand for this trimming than others, with the various kinds of fox skins in second place.

Prices in both Montreal and Toronto have ruled about 10 per cent below the 1931 figure, the outstanding exception being silver fox which has changed hands at from 25 to 30 per cent above 1931 prices. The initial sale of the 1933 season in Montreal brought forth $700,000 of merchandise, about 85 per cent of which was sold. Heaviest demand was for silver fox and mink, the former being taken for European markets and the latter for New York.

Collections Good

Closer scrutiny of credits both by the wholesaler and retailer in all sections has resulted in a fairly good collection position being recorded although the majority of retail sales are being made on the deferred payment system. In Montreal, the advent of small retailers who make up their own coats and scarves has somewhat disrupted the trade and rendered sales comparisons with previous years rather useless.

Optimism prevails in the industry in Toronto as far as 1933 is concerned and, so long as there is no radical change in conditions an improvement can be anticipated in 1933, authorities state. It is felt that the failure of a number of companies has reduced competition in the field and that as many of those companies which have failed were undercutting the market, a better profit should be obtained by those which have remained in business.

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1933	1932	Cumulative Jan. 1 to date 1933	1932
Transportation—				
Car loadings (Mar. 4)	34,211	41,773	290,426	370,358
C. P. R. gross earn (Mar. 7)	$ 1,984,000	$ 2,377,000	$ 16,767,000	$ 20,625,000
C. N. R. gross earn. (Mar. 7)	$ 2,105,635	$ 2,736,592	$ 18,778,011	$ 24,689,318
	Monthly			
C.P.R. net earn. (Jan.)	$ 323,373	$ 617,479	......	......
C.N.R. net earn. (Jan.)	$ ‡1,420,848	$ ‡588,122	......	......
Iron and Steel—				
Pig iron, tons (Jan.)	29,209	10,305	......	......
Steel, tons (Jan.)	40,766	25,060	......	......
Automobiles prod., No. (Jan.)	3,358	3,731	......	......
Automobile exports, No. (Jan.)	504	582	......	......
Construction—				
Building permits (Jan.)	$ 1,163,878	$ 2,761,929	......	......
Contracts (February)	$ 3,149,300	$ 14,802,600	$ 6,511,700	$ 27,540,900
Newsprint—				
Production, tons (Jan.)	140,539	171,321	......	......
Exports, tons (Jan.)	127,779	172,913	......	......
Sugar—				
Imports, raw, lbs. (Jan.)	8,621,900	11,985,700	......	......
Melt & ship, lbs.*	19,641,407	27,454,330	37,808,036	55,426,344
Manufactured, lbs.*	20,347,109	25,680,631	47,650,242	53,571,920
Flour—				
Production, bbls. (Jan.)	859,107	851,192	......	......
Wheat flour exp., bbls. (Feb.)	333,114	337,513	730,418	669,319
Other Industrial Indices—				
Lumbering: Plank & board exports, mill ft. (Jan.)	39.18	53.85	......	......
Boots and shoes, pr. (Jan.)	921,898	1,112,192	......	......
Petroleum, imp. crude, gal. (January)	35,084,950	72,728,643	......	......
Cotton, imp., raw, lbs., (January)	8,765,000	8,628,000	......	......
Rubber, raw, imp. lbs. (Jan.)	2,663,414	3,911,406	......	......
Coal, imports, tons (Jan.)	486,206	629,633	......	......
Gasoline sales, (Oct., 1932)	45,909,000	54,828,000	*435,827,000	477,119,000
Trade—				
Imports (January)	$ 24,441,133	$ 34,114,507	......	......
Exports (January)	$ 31,561,813	$ 38,366,699	......	......
Wheat exports, bus. (Feb.)	10,922,337	9,898,368	25,629,138	19,370,709
Labor—				
Employment Index (Feb.)	76.8	89.7	......	......
Electric Power—Output—				
M. Kilowatt hours (Jan.)	1,396,658	1,413,918	......	......
Finance—			1932	1931
Failures, No. (Dec.)	196	196	2,420	2,216
Failures, Liabilities (Dec.)	$ 7,836,377	$ 2,957,235	$ 51,629,303	$ 52,552,900
Bank debits† (Jan.)	$ 1,968,876	$ 2,071,034	......	......
Bond sales (Feb.)	$ 209,000	$ 21,270,069	$ 20,412,610	$ 67,482,153
Insurance sales (Jan.)	$ 29,867,000	$ 37,331,000	......	......
Automobile Financing:				
Used cars (Jan.)	$ 518,793	$ 812,501	......	......
New cars (Jan.)	$ 442,995	$ 632,707	......	......

*Four weeks period, Feb. 4 to Feb. 25. †(000's omitted). ‡Deficit. *Jan. 1 to Oct. 31.

RETAIL SALES SHOW SEASONAL DECLINE

Indices for All Groups Below December and January, 1932

Seasonal losses are very marked in the January retail sales indices compiled by the Dominion Bureau of Statistics from returns of 83 chains of various types. The decline in the combined index from 119.7 to 63.9 is about one per cent higher than between the corresponding months of the previous year, the figures at that time being 141.2 and 76.4 respectively. It should be noted in using these indices that no provision has been made for seasonal influences or for change in value of commodities.

While every individual group shows a loss from both the previous month and the same month of 1932, the furniture group and music and radio groups show the greatest losses from a year ago, a decline of 43 per cent being recorded in the first instance and over 50 per cent in the latter.

Index Numbers of Retail Sales (1929 equals 100)

	Jan., 1932	Dec., 1932	Jan., 1932
Boots & shoes	50.8	95.9	64.5
Candy	58.2	127.9	66.9
Clothing	52.0	121.6	60.7
Drugs	74.4	92.0	85.7
Dyers & cleaners.	66.8	77.4	76.4
Furniture	27.4	59.3	48.3
Gen. & dep'tment	66.8	162.2	79.5
Grocery & meat..	70.0	85.6	82.5
Hardware	43.2	99.3	56.8
Music & radio	20.7	41.6	42.0
Restaurant	54.0	63.3	66.7
General	63.9	119.7	76.4

Place Larger Vessel On Labrador Cruises

From Our Own Correspondent

MONTREAL.—Stimulated by success achieved in its Labrador cruises last year Clarke Steamship Co. plans a larger programme for the forthcoming season. For the five cruises which are contemplated to Labrador, the flagship New Northland will be placed in service; last year this vessel only made three of the Labrador runs while two others were operated by a smaller steamer. Results obtained, however, indicated that the services of the larger vessel are required for bookings were heavy in 1932.

Prospects are influenced by conditions in the United States. About 60 per cent of the business accrued from that source last year.

Banking Service in Great Britain

MAY we remind Canadian exporters and importers that, through the Barclay Group of Banks, we provide a direct banking connection at every important business center in Great Britain.

Opportunities of furthering trade negotiations are welcomed and we extend the facilities of our organization to those interested in trade or travel in England, Scotland and Wales.

BARCLAYS BANK (CANADA)

MONTREAL - 214 ST. JAMES STREET W.
TORONTO - 219 BAY STREET

Affiliated to BARCLAYS BANK LIMITED
54 Lombard Street London, E.C. 3, Eng.

Living Costs Index Lower in February

Seasonal price decline in eggs, butter and cheese, combined with lower quotations for lard and meats was sufficient to depress the retail price index from 79.7 in January to 79.0 in February. The food index fell from 62.8 to 60.6. The only other group to decline from the previous month was the sundries. In this case lower gasoline prices is responsible for a small decline from 96.4 to 96.2.

Thanks to Life Insurance . . . kept in force

They are

Sure of Money

when they need it most

HE can depend on having a definite income for life, when the time comes for him to retire from business.

SHE is sure of an income sufficient for her needs, if she is ever obliged to carry on single-handed.

THEY BOTH have the comfortable assurance that their savings are safely invested—that there will always be money for emergencies, money for the education of their children.

Such financial independence is made possible to the average family only through Life Insurance. It is the only savings plan which provides adequately for every future contingency.

YOU can be sure of money when you need it most if you invest in Life Insurance and adopt the program best suited to your needs. Why not consult a Life Insurance representative today?

CANADIANS HAVE DOUBLED THEIR LIFE INSURANCE IN THE PAST 10 YEARS

In 1932 Canadian policyholders owned Life Insurance totalling $6,800,000,000, which is double the amount of insurance in force ten years ago.

Life Insurance

One of a series of messages sponsored by Life Insurance Companies

GUARDIAN OF CANADIAN HOMES

Life Insurance Companies favor "La Presse"

During 1932 according to Media Records Annual Report, "La Presse" carried more Insurance advertising than any other Montreal newspaper.

This is a record of which we are distinctly proud as it shows conclusively that "La Presse" reaches a clientele who have money and will spend if properly approached in their own language.

• • •

Among the Insurance Companies using "La Presse" are—Canada Life, Confederation Life, Continental Life, Crown Life, Dominion Life, Excelsior Life, Great West Life, Imperial Life, La Prévoyance, La Sauvegarde, Life Insurance Service, London Life, Manufacturers Life, Metropolitan Life, Monarch Life, Montreal Life, Mutual Life of Canada, Mutual Life of New York, National Life, New York Life, North American Life, Northern Life, Royal Guardians Life, Prudential of America, Sun Life, Travellers Insurance Co.

"La Presse" is always delighted to publish a Life Insurance advertisement. Life Insurance Companies confer distinct benefits on all "La Presse" readers who take out Insurance. Life Insurance is safe and always remains at par. Life Insurance is a full value investment—a real investment—one made by that "love which never dies." Canada has reason to congratulate itself heartily on the stability of its Banks and Insurance Companies. They are all directed by able men.

• • •

The purchasing power of Quebec Province is very stable. This is largely due to the sterling qualities of the French Canadian people. Remember Quebec Province is overwhelmingly French in language and tradition. Advertise and sell in French in Quebec and you are on the high road to success.

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DAILY—FARMERS' WEEKLY—COLOROTO MAGAZINE **PUBLISHED ENTIRELY IN FRENCH**

Toronto Branch: Metropolitan Building **Elgin—9652** **S. L. Rees, Manager**

Bank Chat on Current Topics

Real Wooden Money

IN ITS early days, the Hudson's Bay Company used "beavers" as currency for trading with the Indians. Beaver pelts were the price set on goods which the Indians wanted to buy. Other furs were also valued in "beavers."

P. Ashley Cooper, governor of the company, recently told the London, Eng., Fur Trade Association that the company had used wooden money as recently as 1923. Apparently when the Hudson's Bay Company opened up posts in Baffin Land, it was necessary for the commissioner for the territory to find some form of currency for trading with the Eskimos. Eventually, pieces of barrels were cut up into strips for trading purposes.

Mr. Cooper said he still had some of the originals in his possession now. He could hardly hope to use the wooden money in the Empire's capital.

* * *

Irony for U. S. Banks

THERE is irony in the fact that Canadian bank charters have their roots definitely in the United States. Some of the best principles in our system were originally adopted from the charter of Alexander Hamilton for the Bank of the United States in 1791. Hamilton's charter has been expanded and improved in more than a century of Canadian banking, but the United States abandoned its principles, to their present great sorrow.

The charter of the Bank of Nova Scotia is described as follows in the recently published 100-year history of the institution:

"In type the charter followed closely the charter of the Bank of New Brunswick, founded in 1820, which in turn bore unmistakable evidence of the influence of Alexander Hamilton's classic document in banking history, which created the Bank of the United States in 1791."

The late E. L. S. Patterson of the Canadian Bank of Commerce, in his "Canadian Banking," pointed out that the charter of the Bank of Montreal, founded in 1817, was practically a complete copy of the Hamilton charter.

Provisions of Hamilton's charter, now fundamental in Canadian banking, were: establishment of branches, currency based on bank assets, and prohibition of loans on mortgages or dealing in real estate. Hamilton built better than many bankers in the United States appear to have realized.

* * *

Staff Changes

The Royal Bank of Canada has made the following changes in staff appointments:

C. E. AMY, formerly on the staff of the Kingston, Ont., branch to be accountant at Stratford, Ont.

D. P. LOCKHART, formerly manager at Ladner, B.C., to be manager at McKay, B.C.

J. A. SANGSTER, of London East, Ont., branch to be attached to the supervisor's department, Toronto.

WALTER BELL, formerly on the supervisor's staff at Regina, to be on the supervisor's staff, Calgary.

R. H. HARVEY, formerly manager of the Guelph, Ont., branch recently retired on pension.

The Bank of Montreal has made the following changes in staff appointments:

GERALD F. PEARSON, manager of the London, Ont., main branch, to be temporary manager of the Hamilton, Ont., main branch to take over the duties of F. C. RIDLEY, manager at Hamilton, who has been given six months leave of absence on account of ill health.

H. H. SMITH, one of the inspectors of the Ontario division, to be temporary manager at London, Ont.

The Bank of Nova Scotia announces the following change in staff appointments:

G. S. JOURDAN, formerly manager at New Toronto, Ont., to be manager at Streetsville, Ont.

Current Events in Banking World

MONEY SHORTAGE SUCH AS IN U. S. A. IMPOSSIBLE HERE

Banks Can Issue More Notes—Banks' Liquidity Very High

There is apparently no possibility of a currency shortage in Canada such as has recently prevailed in the United States through hoarding and bank closings. While circulation of bank and Dominion notes in Canada was about 151 million dollars at Jan. 31, 1933, this could probably be expanded by the banks to over 500 millions without recourse to additional Finance Act borrowings.

The present exceedingly high liquid position of the Canadian banks has been attained during recent years when United States banks were becoming more tightly frozen. In addition the existence of the Finance Act in Canada supplies a safety valve for banks which could probably handle any pressure.

At January 31, 1933, bank note circulation in Canada totalled $116,868,992. To this must be added Dominion notes, apparently in actual circulation, of $34,134,561, making a total of $151,003,553 in currency actually circulating.

The total currency banks could issue, without recourse to further Finance Act discounts, was apparently $506,296,390 at Jan. 31. This is shown as follows:

Permissible Bank Currency Issues in Canada at Jan. 31, 1933

	$
Against:	
Specie held	54,256,224
Dominion notes held, less Finance Act advances	99,565,166
Paid-up capital and reserve	306,500,000
Excess of 15% over capital & reserve	45,975,000
Total	506,296,390

Liquidity Has Increased

Canadian banks are now more liquid than they have been for many years. They have been growing more liquid while United States banks have been becoming more tightly frozen. The immediately available liquid resources of all Canadian banks amount to 53.8 per cent of their Canadian deposit liabilities at Jan. 31, 1933. Their actual liquid position is even better than this. The improvement in liquidity, based only on immediately available liquid resources, is shown as follows:

Immediate Liquid Position of all Canadian Chartered Banks at Jan. 31
(000's omitted)

Year	Immediately Available Liquid Assets $	Canadian Public Deposit Liabilities $	Ratio of Immediate Liquidity %
1929	1,051,016	2,200,431	47.8
1930	832,093	2,084,327	39.9
1931	843,135	1,985,452	42.5
1932	862,653	1,875,221	46.0
1933	983,169	1,828,866	53.8

The Finance Act

In addition to this position of great liquid strength, banks in this country can fall back on the Finance Act in an emergency. Under this legislation, it is thought that the Treasury Board would allow banks to pledge such a wide variety of collateral, if necessary in a crisis, that they could possibly become 100 per cent liquid. By this means banks could perhaps issue notes for the full amount of their liabilities. They could probably get Dominion notes, secured by bank assets, to cover every need, against which they could issue bank notes.

P. O. Deposits Down $129,043 in December

Deposits in the Post Office Savings Bank declined $129,043 in December, 1932. The total on deposit at Dec. 31 was $22,457,982, representing a continuance of the shrinkage in Post Office Savings which has been in evidence since the war.

Deposits in the P. O. bank in 1920 totalled $42,334,812. Thus, the decrease in such deposits has been almost $20,000,000 in 12 years, being nearly 47 per cent. If this trend continues, it may ultimately mean the end of the Government deposit institution.

The statement of the P. O. Bank for December, 1932, is as follows:

Post Office Savings Bank Account for December, 1932

Bal. of deposits, Nov. 30, 1932	22,587,026
Deposits rec. in December	179,152
Int. allowed in December	2,797
	$22,768,975
Withdrawals:	
On demand, cash	100,691
Ordinary, cheques	210,302
Bal. of deposits, Dec. 31, 1932	$22,457,982

Seek Use for Fish Waste

A variety of experiments are being carried on at the Dominion Experimental Station at Halifax for the utilization of fish waste, Dr. W. W. Johnston reports. He believes a profitable industry will shortly be established as a result of these experiments.

MTL. CITY BANK CAISSE ECONOMIE DEPOSITS HIGHER

Returns for Jan. 31, 1933, Compared With December

Increases in deposits by the public were shown by Montreal City and District Savings Bank and La Caisse d'Economie de Notre Dame de Quebec in January, according to the returns published by the Department of Finance, Ottawa.

The monthly returns of these two institutions for January, 1933, compared with the previous month, as compiled by The Financial Post from the official figures, are shown below:

Return of Montreal City and District Savings Bank

	Jan. 31, 1933 $	Dec. 31, 1932 $
ASSETS		
Immediately Liquid Resources		
Cash	6,612,918	6,903,477
Gov't. secs.	22,357,808	22,279,378
	28,970,726	29,182,855
Other Securities and Loans		
Public secs.	21,908,598	21,849,808
Other secs.	2,515,228	2,517,853
Loans on secs.	5,271,298	5,362,148
Loans on bk. stock	408,412	404,580
	30,103,536	30,134,389
Other Assets		
Poor fund inv'ts.	180,000	180,000
Premises	1,170,000	1,170,000
Other assets	268,417	240,372
	1,618,417	1,590,372
Total assets	60,692,683	60,907,616
LIABILITIES		
Deposits by the Public		
Notice deps.	54,673,435	54,311,409
Other Liabilities		
Poor trust fund	180,000	180,000
Other liabilities	1,241,102	1,815,829
	1,421,102	1,995,829
Liabilities to Shareholders		
Paid-up capital	2,000,000	2,000,000
Total liabilities	58,094,537	58,307,238

Return of Caisse d'Economie de Notre Dame de Quebec

	Jan. 31, 1933 $	Dec. 31, 1932 $
ASSETS		
Immediately Liquid Resources		
Cash	1,370,442	1,362,096
Gov't. secs.	3,581,000	3,356,000
	4,951,442	4,718,096
Other Securities and Loans		
Public secs.	6,567,204	6,568,679
Other secs.	1,968,000	1,968,000
Loans on secs.	1,769,247	1,826,432
Loans on bk. stock	239,269	237,369
	10,543,720	10,600,480
Other Assets		
Poor fund inv'ts.	83,000	83,000
Bank stock	7,200	7,200
Premises	240,000	240,000
Other assets	572,298	558,715
	902,498	888,915
Total assets	16,397,662	16,207,494
LIABILITIES		
Deposits by the Public		
Notice dept.	12,549,200	12,399,452
Gov't. deps.	179,978	181,017
	12,729,178	12,580,469
Other Liabilities		
Poor trust fund	83,000	83,000
Other liabilities	977,846	936,387
Liabilities to Shareholders		
Paid-up capital	1,000,000	1,000,000
Total liabilities	13,790,028	13,599,857

Foreign Exchange

CANADIAN dollars were relatively stable in terms of francs, belga and other European gold currencies during the week ended March 13. Quotations on United States dollars were chiefly nominal and applied mostly to currency on which a substantial premium was asked in Canada. Sterling varied widely in Canada.

The reopening of dealings in United States drafts resulted in a larger Canadian premium on U. S. funds than existed prior to the complete closing of banks in the United States. This is believed by exchange authorities to be partly due to ironing out of speculative transactions, and also due to the narrow market. Control of currency under a dictator in the United States is a most important factor. This latter development makes ordinary calculations as to the possible future trend of United States funds in Canada largely guesswork. Reports indicate that only legitimate commercial transfers of funds from the United States are being allowed at present.

* * *

AS INDICATED in this section last week, the premium on United States funds has not disappeared, and exchange authorities do not expect this to happen in the near future. They look for a narrowing up of the spread between bid and asked quotations on Canada-United States exchange. They also grant that it is possible that the premium on United States dollars may drop below its recent 20 per cent level. It is noteworthy, however, that if exchange transactions are to be limited to ordinary commercial transfers, there appears to be a weight in favor of the United States dollar which may prevent the Canadian dollar from rising very high in New York.

Sterling showed fairly wide fluctuations in Canada during the week end March 13. The operations of the British sterling equalization fund, and the absence of the active New York exchange market are considered responsible. Exchange dealers appear to feel that the equalization fund is being operated to maintain sterling below the $3.50 level in New York. The quotation in Canada is, for the most part, a reflection of the London-New York rate.

The week's quotations in Canada, as compiled by The Financial Post, are shown below:

FOREIGN EXCHANGE
Close: Demand in Montreal

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.0526
Mar. 8	4.13	0.0472	0.0609
Mar. 9	4.13	0.0470	0.0607 1-2
Mar. 10	4.18	0.0473	0.0607 1-2
Mar. 11	4.17	0.0472	0.0608 3-8
Mar. 13	4.09	0.0471	0.0609

	Reichsmarks	Belga	Australia Pound
Gold par	$0.238	$0.139	
Mar. 8	0.2836	0.1670	3.3174
Mar. 9	0.2830	0.1670	3.3015
Mar. 10	0.2830	0.1670	3.3253
Mar. 11	0.2840	0.1670	3.3174
Mar. 13	0.2840	0.1675	3.2537

Saint John Clearing House Elects Officers for 1933

D. W. Harper of the Provincial Bank of Canada was elected chairman of the Saint John, N.B., Clearing House Association at the annual meeting on March 7. F. T. Palfrey of the Royal Bank of Canada was elected vice-chairman, and N. L. Ford, of the Bank of Montreal, was elected manager and secretary-treasurer.

The other members of the association are G. P. Worsley of the Bank of Montreal; J. H. Stevenson of the Bank of Nova Scotia; R. B. Buchanan, of the Canadian Bank of Commerce, and W. A. Fisher, of the Dominion Bank.

NEWFOUNDLANDERS HOPE FOR FUTURE

Island Not Very Enthusiastic For Union With Canada

The arrival of a Royal Commission to consider the future of Newfoundland, in view of the present financial stress, has caused much speculation in Newfoundland.

The expression in the official announcement, "to examine into the future of Newfoundland," has been taken in some quarters to mean the inclusion of the country in the Dominion of Canada, either separately or as part of a maritime province composed of the island with Nova Scotia, New Brunswick, and Prince Edward Island. However it is pointed out by the Newfoundland correspondent of the London Times that the possibility has been more freely discussed in Canada than in Newfoundland, and the general tenor of Canadian comments has not been such as to suggest that the welcome into the federation would be overwhelmingly cordial.

The idea meets with no less disfavor in Newfoundland. Geographically federation would appear natural. Newfoundland, as the third largest of Canada's Empire customers, might seem likely to become Canadian by peaceful penetration, but from the point of view of sentiment Newfoundland feels strongly that rather than be regarded as the Cinderella in the Canadian household she would much prefer to remain mistress in her own, however humble.

The immediate urgency of the financial problem has concentrated attention on the questions of revenue and expenditure. It is strongly felt, according to the Times writer, that the soundest solution of the problem will be found in a study of the industrial possibilities of the country. Virgin timber areas with unlimited water power to assist in development are natural assets that should prove tempting to outside investors as soon as the present depression passes. The iron ore at Bell Island is sufficient to permit of operations on a far greater scale than the present. The only other active mining undertaking, at Buchans, where zinc, lead, copper, and gold concentrates are procured, is one of the few enterprises anywhere that have continued to make successful progress during the years of general depression. Even the bare scratching to which certain of the mineralized areas in the island have been subjected has been sufficient to show rich prospects, while the whole of the 110,000 square miles of Labrador is a terra incognita. apart from the auriferous area recently discovered as the result of an air survey by Captain Bondurant.

The soil and climate of Newfoundland, as experience in cultivation has proved, are capable of producing crops to supply all requirements for local consumption, which at present depends on about $3,000,000 worth from outside sources. There are other sources of wealth awaiting development. Such being the case, Newfoundland does not look into the future with any misgiving, but with hope.

Exports to U. K. Gained

Exports from Canada to the British Isles in the calendar year 1932 were valued at $178,171,680, an increase of $6,636,858 over the 1931 exports value.

Winnipeg Sales Total $107,000,000 in 1932

Winnipeg buyers spent more than $107,000,000 in 1932, according to an estimate made by the Winnipeg Tribune, based on the Dominion Bureau of Statistics index of retail sales and the 1931 Census of Merchandising. The total includes all retail sales and the receipts of service establishments.

Of the above total, the Winnipeg Tribune estimates that at least $98,000,000 passed over the counters of Winnipeg stores in actual purchases of new goods.

According to the Retail Census of Merchandising, only Montreal and Toronto have larger retail sales than Winnipeg, that city leading all other western cities by a substantial margin.

Groceries Alone Reported Active

Weekly trade report of Canadian Credit Men's Trust Association, for the week ending March 11, is as follows:

Halifax—No noticeable improvement in wholesale and retail business, and industrial activities quiet. Collections slow.

Saint John — Wholesalers report trade under normal. Orders in very small quantities. Retail trade dull for the past week. Collections slowing up.

Winnipeg—Manufacturing in certain lines reported as slightly better. Wholesale grocery lines continue fairly satisfactory; no noticeable improvement as yet in other lines although a slight movement reported in millinery and boots and shoes. Retail trade on the whole only fair. Collections fair to slow.

Regina — Wholesalers report groceries as fairly good; dry goods fair to slow; hardware slow. Retail trade for both city and country continues quiet. Collections—wholesale. on current accounts only; retail, city, fair to slow; country, practically nil.

Moose Jaw — Wholesale and retail groceries reported fair; wholesale boots and shoes quiet; wholesale and retail hardware quiet. Retail dry goods fair. Collections fair.

Saskatoon—Wholesale grocery lines continued fair; dry goods fair; hardware steady with no noticeable improvement; boots and shoes show little improvement as yet; oils and greases considerably improved. probably due to milder weather resulting in more cars being operated. Retail city trade reported fair, a slight improvement shown in ready-to-wear lines. Collections fair only.

Calgary — Practically all lines of merchandise in both wholesale and retail moving very slowly. Sufficient volume to cover overhead being difficult to obtain by many retail merchants. Very little being paid off on old past dues; current accounts being satisfactorily taken care of.

Edmonton — Other than groceries, which continue steady, wholesale business dull. Retail trade, owing to continued stormy weather, very quiet. Collections fair.

Vancouver—Generally speaking, all lines of trade report volume of business as fair. Collections fair to slow.

MAYOR BUILDING MEETING CALLED

Company Unable to Meet Sinking Fund Payments — To Elect Committee

Holders of the 6½ per cent first mortgage bonds of Mayor Building Ltd. have been notified of a bondholders meeting to be held March 27 in Montreal to consider modification of provisions of the trust deed with which the company at present cannot comply. The trust deed requires the company to deposit in monthly installments the sum of $21,200 per year plus interest on bonds already redeemed as a sinking fund.

Early in February the building, an 11 story office and light manufacturing building located in Montreal, was rented at practically 75 per cent of capacity and rentals were running at the rate of $87,312 per year. Expenses including taxes, insurance, general operating costs, repairs, etc., required $43,281 per year leaving net earnings of $44,031 available for first mortgage bond charges and depreciation. Of the original issue of $650,000 6½ per cent first mortgage bonds there has been $69,500 redeemed by sinking fund leaving $580.500 outstanding.

Taxes In Arrears

It is proposed to erect a committee of bondholders which will have broad powers to act. S. L. Whitaker, Dominion Life Assurance Co., Waterloo; A. G. Corrigan, Capital Life Assurance Co., Ottawa; and D. I. McLeod, of McLeod, Young, Weir & Co., Toronto. are the suggested members of this committee. Owners of the equity in the Mayor Building have intimated that they will be willing to agree to withdraw no interest or dividend on their investment during the life of the bonds and to elect as a majority of the company's Board of Directors nominees of the bondholders. Early in February, rentals in arrears amounted to $13,731 of which the greater part will be collected in the opinion of the management. The company has no substantial liability other than taxes which were in arrears.

It is proposed to use $2,274 now held by the trustees to the credit of sinking fund account for the payment in part of taxes and after this has been done total arrears of taxes will be $6,136. or approximately six months' taxes.

Weekly Bank Clearings

	Mar. 9 1933 $	Change year ago %	Mar. 2 1933 $
Halifax	1,734,661	—19.5	1,967,029
Saint John	1,247,679	—21.2	1,274,075
Sherbrooke	495,531	—13.8	400,839
Quebec	4,256,783	+11.2	3,076,208
Montreal	64,271,233	—14.9	70,117,209
Ottawa	3,885,943	—18.8	3,276,934
Kingston	457,262	— 7.4	421,266
Peterboro'	494,667	—13.9	449.978
Toronto	72,490,207	— 1.9	83,052,425
Hamilton	2,934,467	—20.5	3,012,078
Kitchener	711,388	+ 7.5	798,186
Brantford	618,219	—12.9	548,626
London	2,141,627	—11.2	2,279,464
Chatham	379,369	—19.4	388,943
Windsor	1,833,592	—12.7	2,358,141
Sarnia	372,869	— 8.5	313,149
Sudbury	391,561	—15.1	412,013
Moncton	457,732	—19.2	644,467
Ft. William	462,832	— 5.0	393,725
Winnipeg	43,119,197	+69.2	25,246,785
Brandon	254,208	—21.2	233,459
Regina	4,168,858	+45.1	2,211,434
Moose Jaw	421,887	—16.7	397,466
Pr. Albert	231,438	— 1.9	220,131
Edmonton	2,888,672	—22.5	2,556,325
Calgary	4,012,261	—11.5	4,174,620
Medicine Hat	157,242	+ 0.3	154,140
Lethbridge	278,333	— 4.8	308,748
N. W'minster	346,272	—22.7	389,245
Vancouver	10,355,547	— 8.3	11,439,048
Victoria	1,205,030	—16.0	1,181,981
Saskatoon	998,939	22.5	974,334

Return to Simple Life Urged on Governments

Fate of Roman Empire Faces Us If We Do Not Take Back from State Functions Improperly Assumed By It

By R. L. CALDER, K.C., Montreal
Extracts from address to Canadian Club of Toronto

From the government which is seeking ways of getting more taxation and the business man who is wondering how he is going to pay his taxes down to the unemployed who wonder what they are going to do if no taxation is raised to provide them with food, raiment and shelter—everybody is interested in the problem of taxation.

Taxation has become intolerable because governments have exceeded their functions. I am going to prescribe as the remedy a return to the simplest form of government that we can return to.

Function of Government

What is the function of government? The best definition of government I find in the Declaration of Independence. It says a man is born with certain rights—the rights of life, liberty and the pursuit of happiness. Particularly mark the words, "pursuit of happiness." The Declaration does not say, life, liberty and the free gift of happiness, but life, liberty and the pursuit of happiness.

What are the proper functions of government under the definition that it shall ensure the right of life, liberty and the pursuit of happiness?

A government must protect the state from aggression without. It must undertake the duty of national defence. It must protect the representatives of law and order from all who oppose law within the state. It must assume the duty of police. It must set up an organization for the punishment of every infraction of the basic social code. That is to say, it must set up the mechanism of criminal justice. It must provide for the settlement of issues between individuals in order that they may not resort to club law, and they must appoint an organization for the administration of civil justice.

Protect Shipping, Health

It must in assurance of the right of life, liberty and pursuit of happiness ensure communication. That is to say, it must protect shipping.

It must take care of public health in order to prevent such epidemics as ravaged the Old World in the Middle Ages.

And here we begin to verge upon Socialism.

It must take care of the poor which we have always with us. Finally, in order to do all these things, it must set up the mechanism of taxation.

Because we have exceeded the functions of government; because we have asked governments to do what we should do; because we have delegated the duties which we should undertake; because, in short, we are gradually, more and more, depending upon the somebody else to do our job, the burden of taxation has risen to its present intolerably great weight.

I am not talking about the result of a calamity just now. There was, during the war, enormous expansion and possibly, if investigations were complete, intolerable waste brought about by the way in which we did the organizing. We have to face that. We have also to face, as result of this calamity, another calamity, the calamity of unemployment. When you are dealing with a calamitous situation all ordinary rules go by the board. The Federal Government must keep the bulk of the people who, through no fault of their own, are in straitened circumstances—must give them a leg up although, strictly speaking, it does not come within its functions. I am not, therefore, going to discuss the situation created by the war or the situation created by unemployment. I am going to deal with the situation created by fifty years of folly.

Fairy Godfather Role

Government has assumed under pressure of everybody the role of fairy godfather. There is a process whereby you bribe or purchase political support with public money. In the olden days, if a man purchased a constituency in England he paid so many guineas for a vote. He bought the constituency with his own money. If discovered, he might be put out of his seat on account of corrupt practice. Today in England and, to a certain extent, everywhere else, a man nurses a constituency, gives it a golf links or a football field and hopes when election comes it will be remembered. He is buying support with his own money. But we have such an unalert electorate in this country that politicians actually go to voters and buy them with their own money. The result is penury in the public accounts. In such departments as the Public Works Department, if we had the money spent on unnecessary wharves and postoffices which were prematurely built where the building then existing was plenty good enough to be of service, I think it would compare with the national debt. People go up the back stair, or put on the mask of public service and obtain by the front stair, subsidies and grants of all descriptions. If their enterprise is a success they get the profits; if it is a failure, we have paid for it.

Banking By Government

We have been going into the business of accommodation. We have become endorsers. Almost any man who can persuade the community that he has an enterprise which ultimately would redound to the public benefit can get us to endorse his bond. If his enterprise succeeds he grows rich; if it fails we are left holding the bag. I think we have one apposite example in our railway history.

The government has been going into business. If there is one thing the government should not do it is to go into business. It is not fair.

If you were to take the Department of Agriculture and find out what it costs you would be staggered. We have experimental farms all over the country and no prize grain has come from them. A private individual has developed the best grain we have today. There are countless bureaux. All the good they do should, in my opinion, be paid for by the people whom they serve and not by the community at large. You have ten departments of agriculture, one for each of the provinces and one for the Dominion. If there is one thing that should not be subject to political interference it is agriculture.

It might be possible, in the case of the Department of Agriculture, to spread over a period of years, the absorption by the Federal of the provincial departments. In that way we could save millions of dollars.

Commission Government

I am coming to the latest thing which government has been doing, one which will absorb more and more of our money. I am talking about the growth of commission governments.

These are Federal Commissions. The Railway Commission which costs us annually $366,698; the International Joint Commission which costs $49,635; the Civil Service Commission which costs us $278,667; the International Fisheries Commission costing $36,654; the Federal District Commission, $200,000; the War Graves and Battlefield Commission, $82,057. I have nothing against any self-supporting commission. For instance, although I believe the liquor traffic is better organized and more highly controlled in Great Britain than it is here under commissions, I would endure a commission which is self-supporting.

Commissions have only three possible functions. Either they administer or they enquire or they adjudicate. All right. If they merely administer then it is side-stepping by the government of its duties. An enquiry commission enquires into a state of affairs in order to shape a policy. If it is this, then it has usurped the function which, in the glorious days of restricted government, used to be done by parliament itself.

Finally, a commission could be called upon to adjudicate. But if there is an issue, it should be decided in the courts. There is nothing in the way of adjudication which the Railway Commission does, which the International Joint Commission does, which the Civil Service Commission does, which could not be better, more fairly and more decently dealt with by the courts.

Fate of Roman Empire

We should, by some means or other, bring public opinion about that will cause us to revert back to government by government alone. Unless we do that we have to undo gradually what has been done during the last fifty years or proceed toward complete Socialism when the government will do everything and we will enlist under it like soldiers with a guarantee of rations, shelter and clothing.

What has been may reoccur. Lavisse and Rombeau's analysis of the main cause of the collapse of the Roman Empire. The Roman Empire collapsed under taxation and it collapsed under officialdom. There were so many officials and so much taxation that trade, commerce, industry and agriculture all fell into ruin and the burden of taxation all this time had become so heavy that those who could still pay taxes or were called upon to pay taxes gave up their lands, gave up their houses and went to the city and were ultimately reduced to the rank of slaves. If you think the Romans were not adepts at taxation you are mistaken. There were land taxes, poll taxes, taxes on industry, succession taxes, sales taxes and customs taxes.

Top Heavy and Dangerous

Speaking of the top-heavy administration of the Roman Empire with its officials, great and small, each with his own budget, offices, office staff and administration expense, Lavisse and Rombeau go on to say of this administration: "It is dangerous because it is perfect in theory, touching everything that can be touched; because it facilitates the execution of the will of the governing authority, and so weighs more and more upon the individual liberty of the subject; because it creates the redoubtable tyranny of habit which is officially called routine; because it allows only one initiative to exist, that of government, and by its own inertia paralyzes that initiative. It is dangerous in any event, but particularly where it has no counterpoise; where the subject has against an irresponsible functionary no appeal except to another functionary equally irresponsible. It can be demonstrated," they go on to say, "that under such administration the social structure of the Roman Empire collapsed and fell into ruin."

The world is standing in exactly the same position that the Roman world stood. The problem is the same. We have taxation, cessation of trade and commerce. We have governments, one after another throwing up their hands. You have people leaving the paid ranks day after day and not knowing where their next breakfast is coming from. These are things that must be remedied. You must either go to the extreme left of Socialism or you must go back to the medium right of the saner, independent method of government which the British alone developed and which they alone can keep.

New Soap Industry Planned

A new soap manufacturing industry is projected for Ville La Salle, suburb of Montreal. The town council has approved a 50 per cent reduction of annual property taxes for a period of ten years on a three-story factory to be erected by the J. B. Williams Company (Canada), Limited, manufacturers of shaving cream and soaps. It is proposed to erect a $45,000 factory and the industry would employ about 25 persons.

Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

Provincial Bonds

What is the position of bonds of British Columbia, Alberta and Saskatchewan?

Bonds of Saskatchewan, Alberta, and British Columbia have been affected by the difficult financial position of these provinces. Every effort is being made by these borrowers to balance their budgets and a substantial improvement has been made during the current year. Eventually this improvement should be reflected by better prices for bonds of these provinces. Indication of the relative standing of these bonds is given by the yield to be secured at current prices.

Sterling Trusts

Do you consider the five-year trust certificates issued by Sterling Trust Corp. a safe investment? What is the present position of this company?

While Sterling Trusts Corp. had a drop in net profits during 1932 the company ended the year with a good liquid position and with a total of trustee investments in excess of the total of guaranteed funds which includes both deposits and guaranteed trust certificates. At the end of 1932, the company had liabilities in guaranteed account amounting to $832,657, while assets in capital and guaranteed account exceeded $1,770,000. During 1932, $25,000 was transferred from general to contingent reserve to provide for possible losses on investment. Contingent reserve now stands at $65,000 and the capital reserve at $75,000.

Corporate Investors

Can you give me some information as to Corporate Investors Ltd.? What is the future for this company? Are the directors responsible men and is the management satisfactory?

Corporate Investors Ltd. was formed early in 1932, but the stock was not publicly offered until October, 1932. The company is a management trust operating along conservative lines and with a reputable board of directors and management. Investments in the portfolio at the end of 1932 consisted entirely of bonds. The securities were bought at comparatively low levels. Later the company will buy preferred and common stocks. As yet no annual statement of the com-

Information regarding details of the company can be secured from City & Dominion Co., 21 Melinda St., Toronto. This company issues a circular which states the qualifications and position of directors of Corporate Investors Ltd. and we be-Corporate Investors Ltd.

Can. Consol. Rubber

We have a client holding Canadian Consolidated Rubber 6 per cent bonds, due 1946, and he is anxious to obtain the latest figures available on this company.

Would you be good enough to advise us if you could supply same, or where we might obtain them.

The Canadian Consolidated Rubber 6 per cent bonds are secured by a first mortgage on the property of the Canadian Rubber Co., Montreal, and the Granby Rubber Co., of Granby, Que. Both of these companies are wholly owned subsidiaries of Dominion Rubber Co. We have no recent statement of earnings of Dominion Rubber Co., but the report for the year ended December 31, 1932, should appear early in April. Dominion Rubber failed to earn bond interest in 1931 after provision for depreciation.

Seaman-Kent

A client has been making enquiries regarding Seaman-Kent 7 per cent bonds, due December 1, 1944.

We would greatly appreciate if you would forward us any information that you might have regarding any reorganization plans, and what has been accomplished by the bondholder's committee.

No definite plan of reorganization has as yet been formulated for Seaman-Kent Co., although we are informed that it is probable that first mortgage bondholders will be asked to accept income debentures in exchange for their present holdings. In a letter sent out to bondholders in October, 1932, it was stated that there were difficulties of a legal nature which hindered reorganization of the business.

Most of the inventories of the company have been liquidated and from June 5, 1931, to September 30, 1932, the receiver reported receipts of $400,906 and disbursements of $344,210, leaving cash on hand of $56,695. At the present time, plants of the company are not in operation and efforts in the past to sell these were not successful. Until building picks up substantially in Canada, the company cannot be placed on an earnings basis and it would appear that bondholders will have a long wait before they get any return on their investment whether the company is reorganized or not.

The secretary of the Bondholders Protective Committee is Trevor Moore, c/o McLeod, Young Weir & Co., Metropolitan Bldg., Toronto.

Prince Edward Hotel

I hold $2,000 first mortgage bonds of the Border Cities Hotel Co., Ltd., which means the Prince Edward Hotel in Windsor, Ont. The interest rate is 7½ per cent payable half-yearly. The last payment was made about March 1, 1932, the payment due Sept. 1, 1932, being still unpaid. No intimation has been received from the company.

Can you kindly oblige me with a hint as to the situation and to the prospects?

Prince Edward Hotel Co., of Windsor, formerly the Border Cities Hotel Co., is at present operating on a basis that provides operating expenses and taxes. Earnings of the hotel companies are down substantially all over the country and it is stated that the experience of the Prince Edward Hotel has been somewhat better than the experience of the entire business.

In October, 1932, a plan of reorganization was under discussion which provided that holders of the 7½ per cent first mortgage bonds would receive straight term bonds bearing a reduced rate of interest and sinking fund and interest payments would be on an income basis and payment would be made only in Canadian funds. It was suggested that bondholders would receive 105 per cent par value of their bonds, the premium covering bond interest in arrears. The plan of reorganization has been shelved temporarily until it is determined just what earnings can be expected from the property. It is not felt desirable that a reorganization should be made on terms which may later be found impossible to carry out.

We would suggest that you communicate with Mr. Elliott, National Trust Co., 20 King Street East, Toronto, and advise him of your holdings. The National Trust Co. is trustee for the bonds and has been in close touch with the situation. If you communicate with them, any letters which may be sent out regarding current operations or proposals to reorganize would be sent to you. Incidentally, the interest due March 1, 1932, was not paid by the company.

Chartered Accountants

A recent "Financial Post" had an article on "Election of Auditors versus Appointment by Governments." As a subscriber to your paper, I find very much interesting and useful information therein; and being especially interested in public accounting I should be very thankful if you were to give me your expert opinion concerning the question enumerated below.

In this write-up, I notice the term "chartered accountant" used quite frequently. Can you tell me just who is meant by this term "chartered" accountant? There are a number of societies of accountants incorporated in Canada; and I have found that there is a certain amount of jealous feelings held by some of the members of the "Institute of Chartered Accountants of Ontario" when any mention of any other incorporated society is made. For instance: Some time ago, I communicated with ——, a C. A. in Toronto, with a view of entering the field of accountancy, explaining that I had passed certain examinations and was a member of the General Accountants' Association of Canada. In his reply he writes, "There are only two degrees which may be used as denoting qualifications to practise accountancy. These are the C. A. Degree and the I. P. A. Degree."

Somewhat in alarm, I enquired furthere of the Registrar of the Institute of Chartered Accountants of Ontario, W. J. Valleau, and of the secretary of the General Accountants' Association of Canada, Mr. Roberts, of Montreal. Mr. Valleau states that "I am not in a position to offer you any suggestion as to the other society mentioned." The "other" society was the General Accountants' Association, of which I am a member. Mr. Roberts was more explicit in his letter and says "that you can practise as a public accountant without holding any degree whatever."

Is there any officially recognized degree in accountancy? I cannot understand the attitude adopted by some of the "chartered accountants" toward these other degrees in accountancy. Their attitude infers that no other person may breathe the air in their vicinity. Are not the degrees, I. P. A., C. P. A., L. I. A., and C. G. A. of equal merit to that of "C. A."? If not, why are they not?

Is not one justified in calling himself a chartered accountant if he has passed the examination requirements of any of these regularly and properly incorporated societies of accountants? I do not mean by this to use the degree insignia of "C. A." but, in my mind, such an individual as mentioned above is just as much "chartered" as any member of the Institute of Chartered Accountants of Ontario.

This matter has caused me a great deal of concern and I shall await your reply with interest.

Under the charter of the Institute of Chartered Accountants of Ontario the degree of "chartered accountant" is limited by law to those who belong to that Institute. To get that particular degree one has to have been articled to a chartered accountant for a term of years, to have taken the prescribed course and to have passed the examinations set.

The statement by Mr. Roberts where he says "that you can practise as a public accountant without holding any degree whatever," is true. You will realize that the General Accountants' Association was formed with a Dominion charter and was supposed to cover all classes of accountants. Their charter, we understand will not permit them to offer degrees which will conflict with any provincial charters. From the legal point of view it is urged by chartered accountants that the Dominion cannot give the right to a professional degree. It is argued that this falls under the jurisdiction of provinces only. You will note that under the Bank Act there is a provision that banks' auditors must be members of provincial associations. That is to meet the provincial rights as to jurisdiction.

However, the right of those who pass the examination of the Canadian General Accountants Association to practise has never been contested. There has been at times talk of doing it, but no action has been taken.

One move taken to meet the situation was to organize the I.P.A. which has provincial jurisdiction and can give a provincial degree. The I.P.A. has a charter from the Ontario legislature and a lot of people belong to it as well as to the General Accountants Association. You can act as and call yourself a public acountant, but the term "chartered accountant" refers to graduates of only one institute. There has been some talk or dispute about the right of various accountants to the use of the word "certified," unless they have a provincial degree, but that also has not been decided as yet. From the legal point of view, therefore, incorporated public accountants of Ontario (I.P.A.) can give provincial and therefore professional standing.

There is nothing in all this which affects the question of proficiency attaching to any of the degrees. We are not competent to pass on that, but are only trying to indicate the legal phases of the matter as we understand them. The other points at issue really have to be threshed out by the accountants themselves, either among themselves or by representations to governments or legislatures. But "C.A." in Ontario means you are a member of one definite institute and no others, just as realtors are all members of one Real Estate Association and other real estate men cannot call themselves realtors.

Ottawa Power

Would you give me some information on Ottawa Light, Heat, and Power Co. preferred shares. Have earnings covered dividends and are the shares readily marketable?

Ottawa Light, Heat and Power Co. has a satisfactory record of earnings over a period of years. Dividends have been paid on the preferred stock without interruption since it was issued in 1923 and earnings have shown a tendency to increase steadily each year. In 1932 gross revenue was slightly lower but preferred dividends were earned three times over after all charges. The company serves a district in which conditions are relatively stable. The preferred stock is traded in on the Montreal Stock Exchange and a fairly ready market prevails for the shares.

T. Eaton Realty

Please favor us with a confidential report on T. Eaton Realty Co. 5 per cent sinking fund bonds due April 1, 1949, and at the same time state if in your opinion the investment is one that should be retained.

Earnings of either The T. Eaton Co. or its subsidiary The T. Eaton Realty Co. are not divulged and it is very difficult to make an estimate as to the security of a bond without some indication as to earnings. The bonds, however, are regarded as being fairly well secured and are currently bid at 79¼. On this basis, the bonds give a yield of around 7.2 per cent which does not indicate, on the basis of price levels generally prevailing at this time, that the bonds are unduly speculative.

The T. Eaton Realty Co. owns important properties in Toronto, Winnipeg, Hamilton, Moncton, Saskatoon, Regina and Calgary which are occupied by The T. Eaton Co. under lease. These properties were valued in 1929 at over $27,000,000 and $12,000,000 of 5 per cent first mortgage bonds due April 1, 1949 were issued on this security. Revenues of the realty company from leases of property to The T. Eaton Co. are stated to be well in excess of bond interest requirements. The sinking fund on the realty bonds commences April 1, 1934.

Mining Enquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

Kenty Gold Mines

I want to invest in some stock that should benefit to the greatest extent from the success of the Kenty Gold Mines.

The Kirkland Lake Gold Mines are supposed to be financing the enterprise, for what amount? What interest will they have? Is the Northern Canada Mining Corp. a holding company for Kirkland Lake Gold Mines?

Please give me the position of the various parties interested.

Kenty Gold Mines was incorporated for $3,000,000 in $1 par value shares and 1,500,000 shares were issued for the property, Brett-Trethewey Mines receiving 440,000 shares, Northern Canada Mining Corp., 602,000 shares, Northland Prospectors, Ltd., 338,000 shares and Kenty Bros., 120,000 shares.

There are four ways in which to participate in the Kenty property's direct participation through purchase of Kenty Gold Mines—by purchasing either Brett-Trethewey or Northern Canada Corp., or by buying into the Kirkland Lake Gold Mining Co., which has undertaken to finance development. The latter firm has made a firm commitment to purchase 200,000 shares and has already put up $50,000 on the purchase of these shares. In addition, it has optioned 1,100,000 shares which, when the entire option is completed, will net the Kenty treasury an average of 86 cents per share.

Under the set-up at present arranged Kirkland Lake Gold Mining Co. has the opportunity of obtaining the largest individual interest in the Kenty property after it exercises all of its option. Recently it offered 100,000 shares of its holdings to the public at $1 per share, in response to public demand.

Northern Canada Mining Corp. is a holding company. Among its investments is 1,721,000 shares of Kirkland Lake Gold Mining Co.

Mining Corp. of Canada

Would you please give me your opinion and the latest information which you have available on the Mining Corporation of Canada.

Mining Corp. of Canada has many irons in the fire, mostly base metals undertakings. The Ashley Gold Mines is its only gold subsidiary. Operations commenced there in August last year and it has been making satisfactory progress, but up to date it has not demonstrated its true significance, and more time will have to elapse before its importance can be appraised. The numerous holdings of Mining Corp. in base metals interests are important assets once general conditions improve and prices for metals show an upward trend. The company enjoys excellent management, is well financed and has an aggressive exploration policy.

Ore Chimney Mines

Please give me some idea of just what is the value of Ore Chimney Mines' stock.

Would you advise selling my present holdings at 75 cents per share; for which I am offered the same amount of Bey Mines Co. shares plus 25 cents cash per share; or should I hold my present holdings in the former company?

Ore Chimney Mines shares have no marketable value. In 1928 Bey Mines Ltd. took over the property, giving Ore Chimney Mining Co. 2,900,000 shares. The opportunity to convert your Ore Chimney shares into Bey Mine shares plus 25 cents simply means that you are asked to subscribe for shares of Bey Mines at 25c. each. There is nothing to indicate that Bey Mines will have greater success in bringing the property into profitable production than have the predecessor companies during the past 20 years.

Arno Mines

I should appreciate full information concerning "Arno Gold Mines." Would it be a reasonably safe speculation at the present price?

Arno Gold Mines since its incorporation in 1927 has had many interests in many mining fields, first in Rouyn then in Nova Scotia, then in the Matachewan and Pascalis areas. Last year through a subsidiary it became interested in the Great Bear Lake area. More recently it has acquired claims in Rouyn Township, Quebec, adjacent to the McWatters find and the principal interest in the company now centres about this latter holding. Throughout its history it has carried on only a limited amount of development, the record of success in the past has not been such as to inspire confidence in the future. At one time it held what is now known as the McWatters claims which are creating so much interest but little or no work was done and the claims were dropped.

Flintoba Mines

I hold a small quantity of Flintoba Mines stock and I would thank you to let me have any available information regarding this company, and what the prospects are for the future.

Flintoba Mines has been inactive since 1929 owing to lack of finances. It owns groups of claims in the Flin Flon area of Northern Manitoba. The present chaotic state of the copper industry is not conducive to the exploration of or for copper claims and there is no indication that interest in the company will be revived.

Recently a market developed on the Montreal Curb but shares were removed from trading when certain irregularities developed. The North British Investments Ltd., of Toronto, was interested in the marketing of Flintoba shares but its license was suspended by the Ontario Securities Commission in February.

Siscoe Gold Mines

Will you please give me some information on a new gold property known as the Siscoe Gold Mines? What are its chances for success? Are the shares a good buy?

Siscoe Gold Mines is not exactly a new Canadian producer. It has over four years' production to its credit. During this time it has steadily advanced its output from 50 tons to 275 tons daily and has a mill addition under construction that will raise the capacity to approximately 325 tons daily this spring. Earnings in 1932 were in excess of dividend requirements and reports from the mine indicate new successful development, but with the absence of a definite statement of ore reserves the property must be appraised largely on what has been accomplished in the past rather than on its known potentialities for the future. It enjoys excellent management and has been pioneering a new gold area in Quebec.

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Canadian Pacific Income Drops to Low Point in 1932

No Further Dividend Distribution on Preference Stock for 1932 — Ratio of Operating Expenses to Income Moves Up

From Our Own Correspondent

MONTREAL. — Limited income from railway operations, a sharp shrinkage in special income and a balance of only $257,881 to provide for dividends on the company's preference stock, are features of the preliminary income statement issued by the Canadian Pacific Railway for 1932.

Railway operating conditions in Canada last year were far from satisfactory with the result that gross income dropped to the lowest level reported in many years. While substantial economies were effected in many directions, the decline in operating expenses was not in the same ratio as the decline in gross income—the ratio of operating expenses to operating income being 84 per cent in 1932 as against 81.96 in 1931, 79.86 in 1930 and 79.43 in 1929.

No Further Dividends

Consequent upon the limited returns, an announcement was made following the directors' meeting this week to the effect that result of the year's operations precluded any further dividend distribution for 1932 to either preference or ordinary shareholders.

The statement shows an increase in fixed charges from $22,050,364 to $23,619,529. At parity of exchange this figure would likely have been higher, as it is estimated that interest and dividend payments in English funds resulted in a saving which more than offset the premium paid for American funds to meet obligations in the United States.

Net income from operations was not sufficient to meet fixed charges without recourse to special income. It was necessary to draw upon the latter to the extent of $3,529,544. After providing for this charge and setting aside $750,000 for the pension fund, the amount available for dividends on the capital stock was only $257,881. It is pointed out that special income for 1932, amounting to $4,537,425, did not include the dividend of Consolidated Mining and Smelting Co. declared in February last.

Preference shareholders received only one half-yearly dividend during the year. It is customary to declare a 2 per cent dividend, making 4 per cent in all, after the returns are completed. Such action was deferred at the last directors' meeting and has now been passed.

After payment of the half-yearly dividend on the preference stock, the company's income account shows a deficit of $2,487,257. This compares with a balance of $8,423,775 in the previous year.

Special Income Slumps

Examination of the detail returns of special income shows a sharp shrinkage in net revenue from miscellaneous investments—$3,191,589 to $37,450 in 1932. Net earnings from ocean and coastal steamship lines recorded an unexpected increase. Income from commercial telegraph, news departments, hotels, rentals and other resources was substantially lower in 1932.

Comparative figures on the consolidated income account and special income account follow:

	1932 $	1931 $	1930 $	1929 $	1928 $
Gross earnings	123,936,714	142,337,648	180,900,804	209,730,955	229,039,297
Working expenses	103,846,729	116,654,776	142,652,146	166,586,411	177,344,845
Net earnings	20,089,985	25,682,872	38,248,658	43,144,544	51,694,452
Special income	4,537,425	10,951,964	20,042,923	15,232,200	12,677,683
Total income	24,627,410	36,634,836	58,291,581	58,376,764	64,372,135
Fixed charges	23,619,529	22,050,364	19,159,865	16,149,003	15,308,698
Surplus	1,007,881	14,584,472	39,131,716	42,227,761	49,063,437
Pension fund	750,000	750,000	750,000	750,000	750,000
Net revenue	257,881	13,834,472	38,381,716	41,477,761	48,313,437
Pfd. dividends	2,745,138	5,410,697	5,005,623	4,673,790	4,067,547
Balance	*2,487,257	8,423,775	33,376,093	36,807,971	44,245,890
Ordinary dividends	....	16,750,000	33,242,907	30,750,000	29,353,633
Net surplus	*2,487,257	*8,326,225	133,186	6,052,971	14,892,257

*Net debit chargeable to surplus.

SPECIAL INCOME ACCOUNT

	1932 $	1931 $
Net revenue from miscellaneous investments	37,450	3,191,589
Interest on deposits, interest and dividends on other securities, exchange, and results of separately operated properties	2,962,782	5,648,600
Net earnings, ocean and coastal steamship lines	1,034,354	487,516
Net earnings, commercial telegraph and news departments, hotels, rentals and miscellaneous	502,839	1,624,259
	4,537,425	10,951,964

PARAMOUNT NOW IN BANKRUPTCY; LOSS IS LARGE

Equity Receivers File Voluntary Petition — Court Assents

Paramount-Publix Corp., has been placed in voluntary bankruptcy on the petition of the equity receivers, Charles D. Hilles and Adolf Zukor, who were appointed late in January, 1933, when the company was placed in receivership. Administration of the company's affairs in bankruptcy was stated to be advisable since the company could not at the present time liquidate and meet its obligations. It was explained that the company was not bankrupt "in the sense of possessing assets worth less than liabilities."

The recent action follows closely on the preliminary report of the receivers that the company had a loss of $7,553,411 before depreciation in the nine months ended October 1, 1932, and a deficit of $15,857,344 after depreciation. At December 31, 1932, the company had assets, after reserves, with a total book value of $150,349,815 and total liabilities of $47,826,890 not including capital stock and surplus, according to a preliminary statement.

In January minority bondholders took action to have the company placed in bankruptcy and were opposed by the directors of the company. The voluntary petition just made was asked as lawyers gathered at a hearing on a motion to set aside the equity receivership.

FARM PRICE INDEX DOWN IN FEBRUARY

Lower Quotations For Livestock Responsible—Field Crops Higher

Under the influence of a sharp decline in livestock prices throughout the country, the index number for farm prices, compiled by the Dominion Bureau of Statistics, declined from 43.6 in January to 43.0 in February. Prices for field crops showed some improvement but this was not sufficient to offset the other decline. The index for manufactured goods made the same decline between January and February, so that the spread between these two prices, which is one of the chief problems confronting the nation at the present time, was maintained at the same level as in the previous month.

Producers' goods showed some strengthening for the second consecutive month on increases in price of producers' and manufacturers' materials. Producers' equipment and building and construction materials were weaker in price. Consumers' goods continued the price decline of the past four years, both the foods, beverages and tobaccos and miscellaneous groups being lower than in January.

Changes from the previous month and from February, 1932, are shown in the following table:

Wholesale Price Indices (1926 = 100)

	Feb. 1933	Jan. 1933	Feb. 1932
Raw & part. manuf.	50.8	51.2	58.5
Fully & Chief. manuf.	66.9	67.5	71.2
Farm products	43.0	43.6	52.1
Field crops	36.0	35.1	43.7
Livestock	54.7	57.9	66.2
Consumers' goods	69.0	69.8	73.1
Food, bev. & tobacco	58.3	59.5	63.1
Producers' goods	58.9	58.8	66.4
Equipment	87.2	87.7	91.1
Materials	55.8	55.6	63.7
Bldg. & constr. mat.	74.7	75.8	79.4
Manufs' materials	51.6	51.1	60.2

CONTINUED PROGRESS

	Subscribed Capital	Paid-Up Capital	Assets	Res. & Un. Profits
1914	$132,200.00	$50,744.00	$65,215.00	$10,881.00
1919	1,021,000.00	255,267.34	288,079.80	25,531.62
1926	4,438,100.00	653,660.71	759,460.08	103,512.76
1932	5,620,400.00	894,503.50	1,083,789.89	189,286.39

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THE FINANCIAL WORLD

53 F.P. Park Place New York

This Week in Wheat

From Our Own Correspondent

Wheat Market Awaits Chicago

WINNIPEG.—Last week's rush of business on the Grain Exchange has been succeeded by a period of comparative calm. There is no pronounced trend to prices which have shown, however, a tendency to retain the greater part of the gains made since the shutdown of the Chicago market and the international exchange market at New York on March 4.

To understand what has happened and is likely to happen to prices will need a clarification of the situation in international exchange, and an opportunity to evaluate the Canadian dollar more closely than is at present possible in terms of sterling and of gold. Price fluctuations register to some extent, but very imperfectly, changes in the assumed value of Canadian money. Not, however, until banking and exchange facilities make possible the resumption of sales of Canadian wheat on a considerable scale, will it be possible to be sure that the Canadian market is moving in accordance with world trends. Dispatches from Liverpool have attributed occasional weakness there to weakness in the Canadian dollar, suggesting the possibility of getting Canadian wheat cheaper. On this side weakness of the dollar in terms of gold is considered a bullish factor, but strength of sterling in terms of gold the reverse.

* * *

Shipments Heavy

CANADIAN wheat continues to be shipped in fair volume, last week's shipments being close to 5,000,000 bushels, but this was mostly in fulfillment of contracts made some time ago, and shipments must soon show a drop unless it is found possible to arrive at a satisfactory method of doing business with countries abroad.

World shipments last week, at 18,000,000 bushels were heavy, but their market effect was counteracted by an increase of stocks afloat to nearly 64,000,000 bushels.

* * *

Winter Wheat In Poor Condition

POOR condition of the United States winter wheat crop is being ignored for the moment as a market factor, but is likely to be of increased importance as soon as the Chicago market reopens. While some areas have had rain drought continues in others, and there is no inclination to enlarge the tentative estimates previously made, which averaged only 370,000,000 bushels. If the United States dollar holds at a gold exchange level, the immediate effect might be considered bearish, even in Winnipeg, as tending to restrict a flight from money to commodities. For a slightly longer period it is bullish, as tending to prevent United States prices, through exchange fluctuations, reaching a parity with world prices, and allowing resumption of export from that country, which would mean taking a slice from Canada's share of the export market.

European markets appear to be impressed by poor prospects for Russian wheat, and to have reached the conclusion that Russia will be able to export little, if any wheat during the next crop year.

W. G. WATSON HEADS DOM. MORTGAGE

R. P. Baker is President of Ontario Mortgage Companies Association

W. G. Watson, general manager of the Toronto General Trusts Corp., was elected president of the Dominion Mortgage & Investment Association at the annual meeting held recently and R. P. Baker, Huron & Erie Mortgage Corp. heads the Land Mortgage Companies' Association of Ontario. Mr. Watson succeeds the late C. M. Bowman.

The officers and executives of the Dominion Mortgage & Investment Association for the ensuing year are as follows: W. G. Watson, president; T. H. Main, first vice-pres.; T. Bradshaw, second vice-pres.; and Hume Cronyn and E. M. Saunders, hon. presidents. Insurance companies elections to the executive were as follows: E. S. Ball, Sun Life; J. H. Lithgow, Manufacturers' Life; C. S. Macdonald, Confederation Life; J. F. Weston, Imperial Life; W. H. Somerville, Continental Life; W. Hastie, Canada Life. Loan companies: A. B. Fisher, Central Canada; H. Pasquin, Credit Foncier; H. M. Patterson, Landed Banking and Loan; R. P. Baker, Guelph and Ontario; Geo. H. Smith, Canada Permanent; R. C. Young, Trust and Loan Co. Trust companies: J. C. Breckenridge, National Trust; C. D. Henderson, Union Trust; R. P. Jellett, Royal Trust; E. T. B. Pennefather, Capital Trust; E. B. Stockdale, Trusts and Guarantee; P. V. Wilson, Waterloo Trust & Savings Co.

The officers and executive of the Ontario Land Mortgage Companies' Association are as follows: R. P. Baker, president; J. J. Gibson, first vice-pres.; C. S. Macdonald, second vice-pres.; T. D'Arcy Leonard, sec.-treas. and on the board, H. S. Awrey, Toronto; L. A. Winter, Toronto; H. T. Wroesler, Toronto; W. H. Somerville, Waterloo; W. J. Helm, Port Hope; P. V. Wilson, Kitchener; C. E. Weeks, Lindsay; T. H. Main, London; Walter Gillespie, C. F. Robertson, J. C. Breckenridge and W. G. Watson, all of Toronto.

International Loan Paid Capital Higher

International Loan Co. completed the year ended December 31, 1932, with total assets of $1,083,790 and no liabilities to the public. Net profits which are not stated in the annual report are said to have been slightly higher than in 1931 but after providing for dividend paid during 1932 and loss on properties acquired by foreclosure and sale reserve and undivided profit account was reduced to $89,286 from $104,460.

Cash is down to $4,715 from $10,031. First mortgages and clear title agreements are practically unchanged at $1,005,020, while real estate to which clear title is held increased to $74,055 from $66,440. Subscribed capital remains at $5,620,400 but capital paid-up increased to $894,503 from $877,445. Reserve for contingencies was maintained at $100,000.

Grain and Milling in Canada

EXPORT BUSINESS DROPS SHARPLY IN U. S. DEBACLE

Risk of Gambling in Exchange Too Great

From Our Own Correspondent

WINNIPEG.—Actual closing of export business in Canadian wheat has been of very small proportions since March 4. To attempt to do business was to take a greater risk than most export houses are prepared to undertake, for to complete any transaction was to take a gamble in exchange.

The grain exporting is done on so narrow a margin that there is nothing to compensate for a risk of this sort. The ordinary procedure in exporting grain is for the exporter at the Atlantic or the Pacific seaboard to offer grain to be shipped during a prescribed period, at a price in sterling or of the importing country, to be paid on arrival of the grain at the port of import, and to cover freight charges to that place.

When the cabled offer is accepted by cable, and in the normal course of business the volume of offers far exceeds that of acceptances, the exporter must buy his grain on a market that may have fluctuated since he made his offer, secure his freight space, and once he has loaded his grain, sell the covering draft with bill of lading attached. But he hedges his risk to a large extent, not only by prompt use of the option market as soon as an offer is accepted, but also in the bids and offers market. Similarly he can guard against risks by buying options in the exchange market, and to some extent in the freight market. When the transaction is completed he considers himself fortunate to make a profit of a fraction of a cent a bushel. Far from wishing to do a speculative business, he wishes to eliminate speculation so far as possible from the transaction.

When the financial markets in New York closed not only was there no means of hedging exchange commitments, but there was no way of making even a tolerably close guess one day at the value of the British pound the next day. Nor was there any certainty, in view of the fluctuations to which the wheat market itself was exposed, that it would remain in line with the British market, which in ordinary circumstances it may be counted on to do. True, several of the large international firms dealing in wheat are understood to be extensive dealers in exchange of different countries, and apparently on that account sometimes appear to take greater risks in grain movement than other firms are willing to accept, but the risks of the past ten days have been so great as to limit transactions to extremely small volume.

CHICAGO TRADE WARMS TO ACTION OF DEMOCRATS

Wheat Men Feel New Administration is Sympathetic

From Our Own Correspondent

WINNIPEG. — Members of the grain trade in Chicago feel that an entirely new complexion has come over their business with the inauguration of a new administration at Washington, or rather with the changes in make-up and policy of the Federal Farm Board and other governmental agencies which that change has brought about.

Instead of the trade being continually harassed as has been the case during the past four years, it is felt that its functioning will be sympathetically regarded. This is taken as reason for optimism with respect to the price of wheat, for restrictions upon and interferences with grain trading have been regarded as inimical to a healthy market. Any such changes, it is felt in Winnipeg, should also have a healthy influence on the Winnipeg market.

Position Difficult

The Republican party was not of necessity opposed to ordinary business, but the Farm Board adventure threw the late administration into a position of hostility to the grain trade. Almost from the inception of the Farm Board's operations it was subject to criticism from persons familiar with the handling of grain, and this criticism naturally increased as time went on, and the fallacies and expense of its policies became more apparent.

The board retorted by criticism and abuse of the grain trade, and this became much more pronounced in recent months, when the board appeared to be fighting for its continued existence. Concurrently, the grain futures administration of the Department of Commerce, which has a limited regulatory function in connection with grain exchanges, developed an unusually hostile attitude toward the trade, also by way of retort to criticisms against government interference.

The first days of the new régime appeared to show a different attitude on the part of the government. The new chairman of the Farm Board gave a definite statement of its wheat holdings and announced that it would get out of the market as rapidly as possible. The trade was disappointed to learn that it still held 30,000,000 bushels of futures, but was encouraged by the fact that all cash holdings had been liquidated, with the exception of about 10,000,000 bushels of Red Cross wheat which had not yet been turned over to that organization. Moreover, the chairman displayed a friendly and sympathetic attitude in the efforts made to have the board's holdings of futures applied for the benefit of the milling industry.

Central Canada Loan Reduces Dividend Rate

The dividend rate of Central Canada Loan & Savings Co. has been reduced to annual basis of 8 per cent with the declaration of a quarterly dividend of $2 per share payable April 1 to shareholders of record March 15. Since payment made July 2, 1932 the company has paid at the rate of 10 per cent.

Previous to the reduction made in 1932, the company had paid annual dividends at the rate of 12 per cent with an annual bonus which ran as high as 8 per cent in 1926.

Speculative Buying Increasing at Winnipeg

Bullish and Bearish Factors in Wheat Market Tended to Cancel One Another

Bullish and bearish factors in the wheat market in February appear to have cancelled themselves out leaving explanation of a rise of 1¼ cents per bushel in price during the month to speculative purchasing of wheat, according to the monthly review of Searle Grain Co. of Winnipeg.

Some decrease in price occurred in the month it is pointed out but this was cancelled out by the slight rise due to a more favorable exchange situation. Purely statistical factors also cancelled themselves apparently. Speculative buying during the month was apparently based on a belief that the possibility of poor crops in certain countries this year may decrease the world surplus and so bring some rise in price.

Bullish and bearish factors are summarized as follows:

BULLISH FACTORS

(Those Which Have Occurred Tending to Cause a Rise in Price)

European ports stocks continue to be less than normal.

Russian winter wheat sowings estimated to be some 13 per cent less than last year.

U. S. A. winter wheat condition continues to be much less than normal.

Statement by Mr. Broomhall that after the first pressure of new offerings from the Argentine and Australia have passed that there will be little incentive for these countries to attempt to sell below prevailing prices, particularly in view of the prospects of a poor U. S. A. winter wheat crop.

Purchases by China of Argentine wheat.

Continuation of the dry spell in the Punjab in India, which produces about one third of the total Indian wheat crop.

Germany and Scandinavia show renewed interest in Manitobas.

Broomhall estimates that importing European countries have used up a great proportion of their own wheat; consequently may have to buy at a greater rate soon.

Persistent news from Russia of a shortage of wheat even for seed purposes this coming spring.

Estimates that the Argentine "carry-over" at the end of the coming season will be no larger than last year.

Reports from South Africa that the dry weather may adversely affect the size of the corn crop.

The annual addresses of the chairmen of the largest English banks that the coming conversations between the British and U. S. A. governments on war debts and other economic factors may be productive of beneficial results.

BEARISH FACTORS

(Those Which Have Occurred Tending to Cause a Drop in Price)

Argentine government estimates the corn acreage at 300,000 acres more than last year.

Keen competition between Australia and the Argentine for Oriental wheat markets tend to cause lower bids by these countries.

Mr. Broomhall concludes that his preliminary estimate of world importing requirements of 704 million may be found later to be too high.

Substantial shipments from Australia and the Argentine tend to press heavily upon Liverpool market.

Poor quality of large percentage of the Argentine crop tends to reduce somewhat world price levels.

Considered that hostilities between China and Japan have an immediate depressing effect on the market but may have a bullish effect in the future.

The uncertainty in financial circles created by the U. S. A. banking situation is somewhat depressing upon wheat prices.

The Chicago price of wheat reveals a tendency to decline in comparison with the Liverpool price.

Should this continue it will bring the U. S. A. surplus more effectively to bear down upon the world wheat price.

The index number of wholesale commodities declined half of one per cent in Great Britain and 1½ per cent in the U. S. A.

Financial conditions of Central European countries which have scarce supplies of wheat prohibit much importing.

World's weekly shipments increase from 14½ million per week in January to an average of 15¾ million per week in February.

Bulk of Grain Exports Goes to Fifteen Countries

From Our Own Correspondent

MONTREAL.—Grain shipped from Montreal during the last season of navigation was exported to 15 foreign countries; the United Kingdom, as usual, importing the largest proportion of the 105,562,005 bushels of grain handled outward through the elevators of the Harbor Commission. Holland took second place, followed by Belgium, France, Germany, Italy, Norway and Denmark.

After an absence of six years, Finland appeared among the list of countries to which wheat was shipped from Montreal last year. Spain, absent since 1929, imported 1,202,929 bushels of wheat from Montreal.

Absentees from the former lists, however, include India, Morocco, Turkey, Syria, Russia, Portugal, though it is possible that some of the 8,732,751 bushels of wheat for which no destination record is available found its way to one of the countries named.

After wheat, barley figured most prominently among the list of cereals exported from Montreal last season, followed by rye, oats, corn, soya beans and buckwheat.

Following are shipments of wheat, barley, oats and rye from the port of Montreal last season with their destinations:

Country:	Wheat	Oats	Barley	Rye	All Cereals
Algeria	158,525	......	......	......	158,525
Belgium	10,713,638	907,890	1,157,300	1,527,735	14,362,023
Denmark	697,282	......	100,000	755,458	1,843,332
Finland	95,949	......	......	......	95,949
France	6,264,313	25,188	108,000	57,605	6,477,669
Germany	4,421,187	......	249,940	694,563	5,811,325
United Kingdom	25,549,223	4,184,622	4,723,203	86,236	34,663,970
Greece	277,000	......	......	......	277,000
Holland	12,552,105	1,410,608	2,914,252	3,655,303	22,353,107
Irish Free State	876,079	38,824	12,500	......	927,403
Northern Ireland	192,000	169,409	29,161	......	390,570
Italy	3,446,433	32,709	4,286	8,000	3,491,428
Norway	1,903,684	......	......	376,000	2,279,684
Spain	1,072,616	......	......	......	1,072,616
Sweden	1,202,829	......	......	376,879	1,579,708
Unknown	8,732,751	327,369	77,143	574,570	9,777,696
Totals	78,155,564	7,097,119	9,375,785	8,112,529	105,562,005

VALUE OF CROP IN PAST DECADE IS $3,500,000,000

Ten-Year Record Shows Ranking of Each Community in West

Vulcan, Alberta, takes first place as the leading grain shipment point in the Prairie Provinces over the ten-year period ending July 31, 1932, according to a newly published compilation "Ten Years of Grain Shipments from Country Stations in the Prairie Provinces," prepared by the W. Sanford Evans Statistical Service of Winnipeg.

In this period, Vulcan, Alberta, shipped over 13,000,000 bushels of all grains. In second and third place are Shaunavon, Sask., and Gull Lake in the same province, both of which shipped over 10,000,000 bushels. In fourth and fifth place respectively come Vegreville and Olds, Alberta. Other important areas ranking in order of importance are as follows: Champion, Mundare, Blackie, Alberta; Cabri, Saskatchewan; Provost, Claresholm, Barons, Alberta; Kincaid, Saskatchewan; Nanton, Innisfail, Alberta; Prelate, Aneroid, Rosetown, Saskatchewan; and Three Hills, Alberta.

In this ten-year period, 4,200,000,000 bushels of grain were shipped from country stations of which over 3,300,000,000 bushels were wheat. Return to farmers in this period was $3,500,000,000 it is estimated. The period covers three below-average crops, three average crops, one slightly above average and three excellent crops.

The booklet contains about 100 pages and gives the complete record for every station in the prairies in each of the past years. Shipments for each station are divided as between shipments of wheat and shipments of other grain. The information is divided into two sections, one section showing the grain shipments in bushels and the other grain shipments in cars over C. N. R. lines.

The book is designed particularly for the use of merchants, manufacturers, and financial institutions which do business in the West and which are anxious to have an accurate record of the trend of business in various individual communities. Price $15.

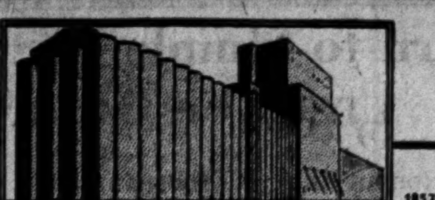
Metal Prices

New York—March 14—
Copper: Electrolytic spot, 5⅝c. lb.
London—March 14—
(Long Ton)—
Copper: Electrolytic spot, £33 15s; future, £34.
Standard spot, £28 15s; future, £29 2s 6d.
Tin: Spot, £149 2s 6d; future, £149 15s.
Lead: Spot, £10 17s 6d; future, £11.
Zinc: Spot, £14 17s 6d; future, £14 17s 6d.
Silver: 17 11-16d. per ounce.

Winnipeg Grain Prices

Week to March 14

Crop year from Aug. 1, 1932 High	Low		Open Mar. 8	High for week	Low for week	Close Mar. 14
		Wheat				
.67⅝	.40½	May	.51	.53¾	.50¼	.50⅝
.54⅞	.41¾	July	.52	.54½	.51½	.51⅞
.56	.46⅞	October	.53⅝	.56	.53	.53⅜
		Oats				
.29½	.21⅛	May	.25⅝	.27⅝	.25½	.26⅛
.26⅛	.21½	July	.24⅝	.26⅛	.24½	.25
.25⅛	.21⅞	October	.23⅞	.25⅛	.23½	.24⅛
		Barley				
.38½	.26⅛	May	.29½	.30½	.29¼	.30⅛
.35¾	.26	July	.29½	.30½	.28⅞	.30¼
.30	.27¼	October	....	.30	.28⅛	.29⅛
		Flax				
.94	.71¼	May	.79	.83¼	.79	.79¼
.84½	.71⅝	July	.79½	.83⅝	.79	.79½
.86	.76	October	.80⅝	.86	.79¾	.81⅞
		Rye				
.42⅞	.30¼	May	.34¼	.36½	.34⅞	.35
.37¼	.34	July	.35	.37¼	.34¾	.35⅞
.38½	.34	October	....	.38½	.36¼	.37⅝



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British Celanese Claim Dismissed by Court

From Our Own Correspondent

MONTREAL.—Judgment has been given in Chancery Court, England, dismissing claims brought by British Celanese Ltd. against Courtaulds for infringement of three patents relating to the manufacture of artificial silk. Courtaulds counter-claimed, asking for revocation of the patents as being invalid. In delivering judgment, the court dismissed the action of British Celanese and declared the patents invalid.

Dismissal of the claims of British Celanese relieves the rayon industry as a whole from uncertainty though there is the possibility that an appeal against the decision may be taken to a higher court. It is claimed that the result, if confirmed, may make little difference to the commercial position of either company. Both will continue to work processes as before, the only new aspect being that British Celanese cannot claim a monopoly of what they regarded as their sole rights.

The trial is described as one of the most protracted and technical actions of recent years. Beginning November 1, it lasted for three months and costs have been estimated at £40,000.

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Annual Review of Life Insurance in Canada

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

Vol. XXVII Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, MARCH 18, 1933 10c a Copy; $5.00 a Year • No. 11

Startling Increase in Non-Par Business Features Past Year

Figures of Leading Life Firms Suggest Three-fold Gain

RATES MAY JUMP

Past Year's Experience Adds Weight to Belief That Higher Premiums Coming

A very striking advance in volume of non-participating business written or paid for by Canadian life insurance companies in 1932 is the outstanding feature of life insurance underwriting in the Dominion in 1932 according to figures compiled this week by The Financial Post.

Figures submitted to The Post by over a dozen leading companies indicate that the average volume of non-par business written during 1932 soared to between 25 and 30 per cent of all ordinary business placed in that year.

Old Rates 10 Per Cent

This ratio is all the more startling when it is realized that analysis of the business in force of these same companies at the end of 1931 discloses that at that date only 9 or 10 per cent of their total business was on a non-par basis. This would indicate that nearly three times the volume of non-par business was written in 1932 as compared with corresponding figures for previous years.

The ratios for certain leading Canadian companies, commonly reputed to be institutions which issue the majority of their business on a participating basis, are particularly startling. For instance Confederation Life which at the end of 1931 had but little more than 12 per cent of non-par business on its books, paid for in 1932, no less than 41 per cent of its ordinary business on a non-par basis. Similar figures show the Crown Life jumped from 15 per cent to 42 per cent, the Dominion Life from 7.6 per cent to nearly 27 per cent and the Imperial Life from 6 to 30 per cent.

Mutual is Exception

The important exception to this rule was Mutual of Canada which maintained an even keel writing only 3.4 per cent of its ordinary business on a non-par basis. This is virtually the same ratio as is shown in its total business in force at the end of 1931.

The highest ratio among 1932 figures compiled by The Financial Post is for Commercial Life of Edmonton which wrote nearly 87 per cent of last year's business on a non-par basis. This compares with a ratio of business in force on a non-par plan, of 47 per cent.

The following table shows data as compiled by The Financial Post. It does not include of course companies such as Travelers of Hartford or Ontario Equitable Life which write only non-par business, or other leading companies such as Metropolitan which writes only participating business.

Record of Non-Par Ordinary Business, Canadian Life Companies

	Non-Par Bus. 1932 $	Ratio to New Bus. Issued or Paid 1932 %	Ratio of Non-Par Bus. in Force to Total Bus in Force 1931 %
Canada	7,329,276	11.2	3.1
Manufctrs.	16,981,829	26.5	11.6
Mut. of Can.	1,424,358	3.4	3.5
London	17,387,546	36.4	23.2
Confdrtn. .	17,052,852	40.7	12.3
Imperial ...	7,925,793	20.0	6.3
Dominion ..	5,695,535	26.7	7.6
Crown	9,673,275	42.4	15.1
Sauvegarde	2,154,167	60.0	31.1
Sovereign .	967,516	24.0	16.2
Commercial	920,149	86.7	47.2
Standard ..	167,250	8.3	17.0
Royal	727,857	45.4	29.3

One feature of the returns is that in many cases the cut in dividends seems to be closely related to the policy of the company in regard to participating dividends. Thus Mutual Life of Canada which made very little change in its dividend scale for 1932 shows the least change. A company such as the Canada Life which made a drastic change in dividend policy during 1932 expects that it will probably feel the results of this move during 1933.

The average ratios for these 13 companies which at the end of 1931 had over three and a quarter billions of insurance in force, reveal that non-par business in 1932 was approximately 25 per cent of total ordinary business written or issued during the year. The ratio for non-par business at the end of 1932, to total business in force, is 9 per cent. If the Mutual Life figures (representing a leading company which made no gain in non-par business in 1932) are eliminated, the ratios become 29 and 10 per cent respectively.

Reasons For Change

Reasons given for the sharp swing to non-par business are not hard to find. For one thing there is the general need and desire for economy which makes a low non-par premium look attractive at the present even though the lure of an eventually-lower net cost is held out by the insurance underwriter.

Then the recent action of leading insurance companies in reducing and in some cases actually eliminating dividends on participating business has undoubtedly made it more difficult to sell participating business and has in some cases created some uneasiness among prospective purchasers as to just what the ultimate return on his contract will be.

Higher Rates Forecast

What will be the ultimate result of this important trend is difficult to estimate as yet but opinions of leading insurance executives interviewed by The Financial Post pointed to the very distinct possibility that an increase in non-par rates for many Canadian companies is coming during 1933.

Only a few weeks ago a committee of the Actuaries Club of Toronto was appointed to study this matter and although it is too early as yet to ascertain what its findings will be, it is known that many companies have expressed the belief that non-par rates should be raised.

Raised in U. S. A.

Already four of the leading insurance companies of Hartford, Conn., have expressed their intention of raising non-par rates effective April 1. This is in line with the fairly wide and general reductions in dividends to participating policyholders which had already taken place, for it is logically argued that if conditions demand that participating policyholders must pay more for their insurance via a cut in dividends, then non-par rates should also be changed to bring them into line with reduced earnings power and so forth.

One feature of the Canadian situation which is noteworthy is that several companies whose business is for the most part in participating business are said to be quoting non-par rates not strictly in line with those being charged by purely non-par companies. In other words since non-par business with these companies is only a sideline they can afford to use a cut rate which does not seriously affect their earning power but is a useful weapon in time of competition. Non-par companies on the other hand must charge a rate that is entirely adequate since this type of business is their sole source of earning power.

Evening Up Possible

One possible development for 1933 then, may be that even if a general increase in non-par rates is vetoed by leading companies, at any rate some evening up in rates will develop and "cut-rate" non-par premiums will probably be eliminated as the volume of business increases.

Another angle of the situation is of course whether or not the reduction in dividends which has taken place in the last two years is a permanent or temporary trend. Those who are following closely the trend of interest rates in this and other countries believe that indications point strongly to a declining interest rate in the next decade. If this is true the reductions made recently by many companies may become permanent, and higher non-par rates are inevitable.

New Business Down 16.4% In Past Year

During 1932 the net amount of life insurance written and paid for in cash in Canada was $654,455,266, this being a decrease of 16.4 per cent from the corresponding amount written in 1931.

Of the total amount written in 1932, ordinary insurance amounted to $485,450,261, industrial insurance, $152,414,746 and group insurance, $16,590,259.

The total net business in force in Canada on December 31, 1932, was $6,471,688,455, this being a decrease of 2 per cent under the corresponding amount at the end of 1931.

Of the total amount in force $4,311,847,690 was carried by Canadian companies and $2,159,840,765 by British and United States companies.

The total net business in force in Canada of Canadian fraternal societies was $122,608,742, and of foreign fraternal societies, $53,237,115, or a total for fraternal societies of $175,845,857.

4,400,000 Policies Here For British, Foreign Firms

Total business in force of British and foreign companies in Canada at the end of 1932 amounted to over $2,200,000,000, distributed among some 4,400,000 policyholders. Over $670,000,000 of this total is represented by industrial business in force with Metropolitan and Prudential of America policyholders. New business paid for annually in Canada by these companies amounts to approximately $300,000,000.

Dual Aspect Stressed In Insurance Contract

People buy life insurance for both its protective and investment features according to H. B. Berwick, supervisor of field service for the Manufacturers Life Insurance Co. in a recent article in Life Underwriters News. Those who sell insurance should therefore study both phases of the business and be prepared to offer whichever is best adapted to the individual need. He criticizes agents who are dogmatic about one phase of the business at the expense of the other.

"Life insurance is so wide in its ramifications and touches so many different phases in the life of the individual and of his dependents that there is no need for us to become insular in our views regarding it. Ways and means of forcefully presenting the need for life insurance are innumerable. Some are based largely on its protective feature, while others emphasize its investment element. We do not believe anyone, no matter how ardent an advocate of life insurance as protection, nor how zealous an enthusiast regarding its merits as an investment will have any quarrel with this suggestion, which is that you study both phases; analyze their respective merits; discover the good in each and apply the points which are best adapted to the particular individual."

Wider Appreciation Is Needed in Canada for Nation's Largest Co-operative Enterprise

Off in the south-east corner of the Commons chamber at Ottawa there sit the members and followers of Canada's newest political party—the Co-operative Commonwealth Federation. They draw their strength and support from those who believe that our present way of doing economic and financial things in Canada is all wrong.

They would substitute (if they got the chance) a socialistic or co-operative society for the one we now know. They don't think much of capitalism for instance, particularly the big financial institutions with which the capitalistic system is commonly associated.

The third largest group of financial institutions in Canada is its life insurance companies. Their assets in this country at the end of last year were approximately two and one-eighth billions of dollars. What are these companies? Where does their wealth come from? What do they do with it?

Greatest Co-operative Organization in World

The fact is that the life insurance business as carried on in this country represents one of the most far-reaching and successful types of co-operative enterprise ever devised for the benefit of mankind.

Examine the balance sheet of any one of these companies. On the asset side it will be found that 95 per cent of the total is made up of "ledger" or invested assets—high-grade bonds, first mortgages, dividend paying common and preferred stock equities, and so forth. On the other side, 90 per cent of total liabilities are the amounts set up as statutory reserves or the liabilities of the company to its policyholders. Another four per cent is the provision made by the companies for profits to policyholders. The remainder is made up of investment and contingency reserves, capital stock (except in the case of purely mutual companies) and free surplus—all of which is ultimately available if necessary for the protection of policyholders.

Earmarked Property of Policyholders

Thus the major part of this colossal sum is the actual earmarked property of the 7,000,000 policyholders to whom it will eventually be paid. It is a co-operative national savings fund to which each day of the year some 23,000 thrifty citizens make their contribution by way of their premium deposit.

Some of these payments amount to but a few cents a day as in the case of industrial policyholders. Others are cheques for thousands of dollars to keep in force policies for perhaps a million dollars which will be paid either to heirs or business associates in the event of death.

Although the sum total of these premium payments is large—amounting roughly to $235,000,000 in 1932, or about $800,000 each working day—the average premium deposit is small. For industrial policies it is but $10 a year per policy. For ordinary policies about $50. These premiums come for the most part from wage-earning and salaried citizens—thrifty people who are interested in the future security of their homes and their own financial independence.

In the past sixty years this co-operative fund has distributed to policyholders and their beneficiaries in Canada in the neighborhood of one and three-quarter billions of dollars. More than two-thirds of this total has been paid to living policyholders. In 1932 alone these payments reached a new high mark of $185,000,000 which means an average distribution each working day of the year of over $600,000.

Some of the organizations through which these co-operative savings are received and distributed are purely mutual companies. Notably the Mutual Life of Canada, the North American Life, the Metropolitan Life, the Mutual Relief Life, the Mutual & Citizens, the Royal Guardians and the 40 or more fraternal organizations in Canada. If this is the case the entire savings fund belongs to the policyholders themselves. Even if the premiums are deposited with a joint stock enterprise as is the case with the majority of insurance in force in Canada, the net result is very little different, for the actual stake of shareholders in these joint-stock companies amounts to little more than $40,000,000 out of a total fund of nearly one and three-quarter billions of dollars.

Policyholders Must Appreciate Co-operative Aspects

So it is fundamentally important that the great body of Canadian citizens should realize and be appreciative of the co-operative nature of this savings fund called "insurance." It is more important than ever at the present time because of the current tendency to look upon these institutions which have been so successfully operated in the past century as fine prey for the tax collector and any group of well-meaning but misinformed legislators who would like (for instance) to write down permanently the mortgage debt of the country by 25, 30 or 50 per cent.

Life insurance companies in Canada—acting as trustees for their 7,000,000 policyholders—have invested about 25 per cent of the savings of these thrifty people in mortgages so that if the face value of these contracts is to be written down by half, it means inevitably that when you or I as policyholders come to cash in our policy contract we will find that instead of receiving $1,000 or $5,000 as the case may be, our share in this co-operative fund may quite possibly have been cut to $875 or $4,375 by reason of the action of these legislators.

This does not mean, of course, that life companies may not eventually have to make some permanent arrangement with their debtors nor does it overlook the fact that for several years now they have been co-operating in every way with those who find it difficult to pay their debts on the basis upon which they were contracted.

It does mean, however that life insurance companies are simply co-operative associations of thrifty individuals and that while they are one of the largest creditor bodies in the Dominion, they are also one of the most important groups of debtors. Accordingly any radical step such as a capital levy on mortgages throughout the country must inevitably come—not from the profit and loss account of a soulless corporation—but from the hard-earned savings of the thriftiest type of citizen in the community—the life insurance policyholder.

BRITISH, U. S. LIFE FIRMS LONG HERE

Phoenix of London Came to Canada in 1804—U. S. Firms Prosper

Canada is proud of the fact that her native life insurance companies are among the finest institutions of the kind in the world. But it must not be overlooked that British and "U. S. A." companies have a far-reaching stake in the Canadian insurance field and that many of these companies have such a long and honorable record of accomplishment in this country as to make them to all intents and purposes, indigenous to this Dominion.

Record of British Firms

Oldest of the British life companies still in business in Canada at the present time is the Phoenix of London, which commenced business in the Dominion away back in 1804. This company does not push for life business at the present time however. Then comes the Standard of Scotland, whose record in Canada dates back to 1846. It now ranks second among British companies in total business in force in Canada, with something over $30,000,000 of business at the end of 1932.

Two comparative newcomers—who incidentally are the two most active British companies in the field at the present time are the Mutual & Citizens, with head office in Australia, which has been doing business in Canada since 1913 and the Prudential of London, which came actively into the Canadian field in 1930 and is rapidly forging to the top as an aggressive British underwriter in this country.

U. S. Firms Here Since 1850

The record of United States companies in Canada dates well back to the early days of Confederation and even before. Aetna Life has been in business in the Canadian field since 1850. Fifteen years later the Travelers first started to do business in Canada and now ranks fourth in total business in force among United States companies in Canada. The New York Life, The Union Mutual and the Equitable all entered in 1868. Of these the former has been the more aggressive, having at the end of 1932 over $185,000,000 of business in force in Canada. Union Mutual writes but a small volume of business annually, while Equitable withdrew from active participation in the Canadian field in 1919.

Metropolitan's Achievement

Just sixty-one years ago (1872) the Metropolitan Life came to Canada and since that time has been one of the most active and successful of all companies competing for business in Canada. For many years the company has maintained its own Canadian head office building and staff at Ottawa and in addition has over 100 branch offices throughout the country. Inclusive of its industrial business this company has the largest volume of business in force in Canada of any company (Canadian or foreign) doing business in the Dominion. Even exclusive of its industrial business the company ranks second only to the Sun Life in business in force here, according to latest available figures.

United States Life and the Mutual of New York were the next to enter the Dominion, their dates of entry being 1873 and 1885 respectively. The latter company has built up a very substantial volume of Canadian business until the summer of last year when it withdrew from the Canadian field for reasons of economy. The interests of its many Canadian policyholders are adequately protected, however, the company having on deposit with the Receiver-General at Ottawa for the sole protection of Canadians, something over $13,000,000.

One of the most recent of the big United States institutions to enter Canada was the Prudential of America. Starting in 1909, the company now has over half a billion dollars of business in force in this country, of which about half is ordinary business and the remainder industrial. It has a network of industrial offices throughout the Dominion and in addition writes a substantial volume of ordinary business in Ontario and Quebec.

One feature about the activities of these companies in Canada is the very conservative and adequate provision made by the federal insurance department at Ottawa (under which jurisdiction all these companies operate) to safeguard the interests of Canadian policyholders. Thus all companies with head office outside the Dominion and doing business here in Canada must make a deposit with the Receiver-General at Ottawa, of trustee securities sufficient to meet all their policy contract obligations in the Dominion. In addition, many of the companies maintain substantial additional investments in Canada over and above statutory reserve requirements.

Analysis of Assets Canadian Life Co's

Assets of Canadian life insurance companies in the five-year period 1926-1931 inclusive as compiled by the Canadian Life Officers Association, is shown in the following table:

Analysis of Assets of Canadian Life Companies

	1927 %	1928 %	1929 %	1930 %	1931 %	1931 $
Real estate	2.36	2.48	2.56	4.07	4.01	65,517,754
Mortgages—farm	7.87	6.59	6.04	5.05	4.48	72,376,018
Mortgages—other	17.12	17.86	17.90	17.35	16.69	273,055,297
Policy loans	13.67	13.50	14.32	15.17	16.36	267,576,694
Canadian Government bonds	8.37	6.72	5.69	4.90	6.91	113,027,887
British Empire Gov't. bonds	1.95	1.57	1.04	.93	.91	14,889,113
Foreign Gov't. bonds	2.53	2.67	2.48	2.21	1.93	31,586,179
Municipal bonds	12.26	10.38	8.98	8.00	7.74	126,539,781
Railroad bonds	.57	.70	.77	.67	.70	11,522,449
Miscellaneous bonds	12.08	11.52	11.71	11.60	11.88	194,244,781
Stocks	16.35	20.81	22.98	23.74	22.60	369,632,450
Other ledger assets	.88	.79	1.03	1.43	.98	15,943,662
Total ledger assets	95.51	95.59	95.50	95.12	95.14	1,555,911,965
Non-ledger assets	4.49	4.41	4.50	4.88	4.86	79,535,605
Total assets	100.00	100.00	100.00	100.00	100.00	1,635,447,570

Statistical Record of Life Insurance, Canada 1932

(Compiled Exclusively by The Financial Post)

(Companies Ranked in Order of Business in Force, December 31, 1932)

CANADIAN COMPANIES (TOTAL BUSINESS)

	Commenced Business in Canada	Gross Insurance in Force at Dec. 31, 1932	Gross Paid For New Insurance 1932	Total Assets Dec. 31, 1932	Interest Earned on Invested Assets 1932 %	Interest Earned on Invested Assets 1931 %
Sun	1871	$2,928,952,033	$284,098,931	$611,436,153	...	5.13
Canada	1847	926,389,982	80,535,802	216,886,246	5.34	5.80
Great-West	1892	580,536,809	39,184,000	135,738,365	5.36	5.77
Manufacturers	1887	526,253,121	57,974,765	117,786,626	5.02	6.20
Mutual	1870	517,967,974	44,038,582	132,198,393	5.67	5.73
London	1874	471,954,602	95,684,353	77,558,313	6.33	6.45
Confederation	1871	374,071,320	43,464,515	92,232,305	5.33	5.63
Imperial	1897	291,380,798	23,436,417	67,465,960	5.52	5.82
North American	1881	193,052,844	18,282,000	47,298,633	5.70	5.92
Dominion	1889	150,319,791	16,196,506	25,470,427	5.80	6.24
Crown	1901	137,180,619	19,615,188	17,892,631	5.96	6.19
Excelsior	1890	94,631,095	10,185,783	19,019,349	5.45	5.74
National	1899	59,094,035	8,539,135	11,433,390	5.68	5.65
Monarch	1906	56,346,809	....	10,692,563	...	7.63
Northern	1897	48,854,242	4,156,735	8,820,622	5.73	5.58
Ontario Equitable	1920	46,700,028	3,551,782*	8,125,000	5.74	6.17
Montreal	1910	39,627,885	8,760,147	5,777,336	5.85	5.98
Continental	1899	37,432,865	3,732,784	7,722,928	5.80	5.95
Sauvegarde	1903	28,421,926	3,500,023	4,832,500	...	6.05
T. Eaton Life	1920	26,203,105	2,531,001	4,452,397	5.70	5.93
Sovereign	1903	26,024,850	2,961,000	5,978,885	5.18	6.08
Mutual Relief	1875	20,095,655	1,606,870	5,221,220	...	5.59
Capital	1912	17,651,135	2,087,346	2,624,828	5.26	5.72
Empire	1923	17,044,918	2,546,902*	2,353,794	5.06	5.73
Maritime	1924	12,313,901	1,630,908	1,337,367	...	5.56
Saskatchewan	1914	10,117,652	1,015,413	2,200,318	5.15	6.61
Commercial	1913	10,110,380	1,442,841	1,802,927	...	6.65
Western Empire	1912	9,471,930	1,832,176	2,023,409	...	...
Dominion of Canada	1887	7,857,406	1,482,839	726,920	...	5.82

UNITED STATES COMPANIES (Canadian Business Only)

	Commenced Business in Canada	Gross Insurance in Force at Dec. 31, 1932	Gross Paid For New Insurance 1932	Total Assets in Canada Dec. 31, 1932		
Metropolitan	1872	$1,030,990,785	$222,873,450*	$234,815,254	...	...
Prudential of America	1909	506,687,000	74,213,000	48,529,243	...	...
New York Life	1868	185,382,154	8,966,201	50,082,617	...	...
Travelers†	1865	136,547,000	12,383,000	20,537,008	...	...
Ætna†	1850	99,648,000	6,142,000	12,957,080	...	...
Mutual of N. Y.†	1885	80,427,258	5,649,100	23,918,430	...	...
Equitable	1868	22,008,000	13,700	10,433,410	...	...
Occidental†	1928	9,132,343	840,200	680,666	...	...
Union Mutual	1868	6,940,000	329,500	2,835,700	...	...

* Issued, Revived and Increased.
† 1931 figures. Latest available.

BRITISH COMPANIES (Canadian Business Only)

	Commenced Business in Canada	Gross Insurance in Force at Dec. 31, 1932	Gross Paid For New Insurance 1932	Total Assets in Canada Dec. 31, 1932		
Mutual and Citizens	1913	31,775,067	5,117,342	7,443,930	...	...
Standard	1846	30,544,723	2,069,280	106,800,000	...	...
Royal	1851	24,958,000	1,608,000	7,410,000	...	...
Prudential of London	1930	5,685,321	3,283,751	1,168,997	...	...

Industrial Ins. Down Slightly In Past Year

Industrial insurance in force in Canada as at the end of 1932 totalled $835,000,000 according to an estimate prepared by The Financial Post. This compares with a corresponding figure of $845,000,000 at the end of 1931.

Strictly comparable figures for new business paid for during 1932 are not yet available due to figures submitted by one company to The Financial Post being on an issued basis. Volume will probably be slightly lower than in 1931.

Comparative figures for business in force in Canada of the companies writing this coverage, follow. The Excelsior Life Insurance Co. still retains a small amount of this business on its books but has ceased writing new business for some time.

Industrial Business in Force, Dec. 31

	1932 $	1931 $
Excelsior	....	9,441
London	154,479,074	156,584,274
Metropolitan	385,943,647	393,989,651
Mut. & Citizen ..	15,836,441	15,994,916
Prud. of Amer. ..	268,817,271	278,077,592
Royal Guard.	*10,000,000	10,262,542
	835,076,433	845,226,764

* Estimated.

POLICY LOANS UP FIFTY P.C. IN THREE YEARS

But Policyholder Well Advised to Repay Loan Quickly

Policyholders in Canadian life insurance companies at home and abroad had borrowed over $300,000,000 in the form of policy loans at the end of 1932, The Financial Post estimates. This is an increase of over 50 per cent for the three years since 1929.

It represents a 10 per cent increase over the corresponding figure of 1931 and means that at the end of last year, approximately 19 per cent of the total invested or ledger assets of Canadian companies was invested in this type of security. The corresponding ratio for 1931 was 16.4 per cent. Even at the end of 1929 after a few months of depressed security, the ratio was only 14.3 per cent.

So there has been no business slump in the banking function of life insurance companies. For throughout the past three years life insurance companies throughout the North American continent have been besieged by needy and hard pressed policyholders anxious to borrow money on their policy contracts.

The demand has come from far and wide, from farmer and financier alike. Caretakers and curates have rubbed elbows at the life insurance counter, signing papers which will give them the use of the savings funds or equity which they have built up in the past ten or fifteen or twenty-five years in their life insurance bank.

Stock Margins Protected

Early in the depression, wealthy business and professional men who had speculated heavily in the stock market turned immediately to their life insurance funds to borrow the money (temporarily, of course) which would restore their "margin" on the securities that had been hit so badly by the crash of 1929. They meant to return the insurance loan as soon as stock market prices recovered from this frightful landslide.

Since that time almost every class and creed in the community have turned to the equity in their life insurance policies and in the last year particularly this fund has been called on as an emergency reserve which has been of literally inestimable value as depression clouds deepened.

Policy Loan Figures

The following table prepared by The Financial Post shows policy loans outstanding by the leading Canadian companies as at the end of 1932 together with the corresponding figures for 1931 and the ratio of policy outstanding to net ledger assets at the end of 1932.

The individual ratios vary it will be seen from between 6 and 7 per cent as in the case of the Mutual Relief and the Maritime Life to 34 per cent for the Saskatchewan Life. The London Life ratio is exceptionally low due to the fact that this company alone of the leading Canadian companies, writes a substantial volume of industrial business on which loan values if available are very small.

The figures follow:

Companies Ranked in Order of Total Business in Force, 1932

	Policy Loans (Dec. 31) 1932 $	Policy Loans (Dec. 31) 1931 $	Ratio Loans to Net Ledger Assets 1932 %
Sun	99,477,959	87,174,773	17.0
Canada	37,856,151	36,090,242	18.3
Great West ..	28,817,513	27,378,787	22.7
Manufactur's.	23,638,281	22,338,736	21.3
Mutual of Can.	28,146,438	24,843,383	22.3
London	9,601,720	7,917,764	12.9
Confederation	19,051,621	17,846,809	21.8
Imperial	14,494,546	13,724,992	22.6
Nor. American	8,475,111	7,768,927	18.6
Dominion	4,480,137	3,301,493	18.6
Crown	3,461,840	2,928,441	20.6
Excelsior	4,021,302	3,496,243	22.2
National	2,192,387	2,013,310	20.1
Monarch	2,167,509	1,919,605	22.3
Northern	1,690,263	1,503,898	20.2
Ont. Equitable	1,461,795	1,257,731	18.9
Montreal	....	982,945	....
Continental ..	1,451,389	1,325,551	19.8
T. Eaton Life	....	282,507	....
Sovereign ...	1,245,294	1,246,367	22.8
Mutual Relief	278,821	221,867	5.7
Capital	589,374	551,311	21.8
Empire	223,261	141,774	10.1
Maritime	80,361	53,852	7.3
Saskatchewan	692,666	638,049	34.2
West. Empire	470,010	490,946	25.9

One Good Asset

From the viewpoint of the life insurance company an increase in policy loans means that the company

(Continued on page 12)

TOTAL FUNDS OF 45 FIRMS TWO BILLIONS

Nature of Investments of Vital Interest to Every Policyholder

FOR DISTRIBUTION

Revolving Savings Fund Kept Intact Despite Three Years of Depression

Holders of policies in life companies in Canada are vitally interested in the two billion dollars worth of invested assets which comprise the security behind their insurance contracts.

Almost this entire amount will sooner or later be distributed among policyholders and beneficiaries—most of it in very small amounts. In the past sixty years one and three quarter billions of dollars of exactly similar assets have been distributed in this way. Thus this revolving and steadily increasing savings fund becomes at once one of the most important financial responsibilities in the Dominion.

Companies are Trustees

As trustees for this fund, executives of life insurance companies find one of their most important functions lies in the profitable administration and safe investment of these moneys. Boards of directors are chosen with considerable care so as to include men well acquainted with the handling of various types of trustee investments. Their advice and counsel is of primary importance to the success of a well-managed company.

Then too, the majority of large companies in this country maintain a large, well-trained investment department whose duties consist of analyzing and supervising the various types of investment in which the company is interested and in seeking out new and profitable avenues for future purchases. In the past two or three years the demand for surrender values and policy loans on the part of policyholders has been so heavy that very few companies have had any large surplus to invest. They have been content to keep current income abreast of current expenditures in order that all these demands be met promptly and in full without using these invested funds, which if they had to be called on in the present emergency might have to be sacrificed at a considerable loss of principal.

Life insurance companies in Canada are proud of the fact that without exception, as far as is known, this situation has been met to date without any sacrifice of these assets which have for the most part been invested on a long-term basis and normally will not mature for ten, fifteen or twenty years.

Growth Phenomenal

Some indication of how rapidly this fund has grown in recent years may be found by a study of the following table published by the Canadian Life Officers' Association. It is illustrative of the growth of business in force and invested funds of its member companies since 1925. This association includes some 45 companies doing business in Canada. The figures follow:

Year	Business in Force	Insurance Funds
1925	$ 5,084,592,508	$1,045,890,043
1926	6,111,197,535	1,227,240,189
1927	6,889,054,911	1,396,884,080
1928	8,022,615,514	1,610,401,589
1929	9,179,916,944	1,815,618,087
1930	9,954,789,913	1,981,207,810
1931	10,259,492,236	2,109,593,420

Careful Restrictions

Under Canadian laws life companies are carefully restricted in the nature of their investments. British and foreign companies operating in Canada, are required to deposit with the receiver-general at Ottawa, trustee securities sufficient to cover the statutory reserve requirements of their Canadian policyholders. This fund alone amounts to between $275,000,000 and $300,000,000.

Canadian companies, however, make only a nominal deposit at Ottawa and although they are required to meet the same rigid reserve requirements as companies with head office outside the Dominion, they retain control of their own investments subject to inspection by federal and provincial officers and subject also to the very rigid requirements of these jurisdictions as to what type of investments may be made.

Investments Analyzed

The best bird's-eye view of how insurance companies in Canada invest their assets is the analysis prepared by the Canadian Life Insurance Officers Assoc. and which analyzes the assets of the life insurance companies who are members of this association from 1907 to 1931. A study of these figures reflects not only the fundamental principles by which the insurance dollar is invested but also the basic changes which have taken place during the past 25 years.

Thus we find that high grade bonds and first mortgages on real estate have always been the primary outlet for insurance company funds and that on the basis of latest figures available, 30 cents out of every dollar of Canadian life companies' assets is invested in the former and 21 cents in the latter security. Twenty-five years ago the ratio for bonds was somewhat higher at 38 cents out of every dollar, while first mortgages took 30 cents. First mortgages as an investment apparently reached the peak of their popularity in 1915 when 37 cents out of every dollar was thus invested. Bonds reached an even higher peak in 1918 when 48 cents was found to be invested in different types of bonds and debentures.

Among bonds the most popular group in 1930 was corporation and miscellaneous bonds which comprised nearly 12 per cent of total assets, followed by municipal bonds at 8 per cent and Canadian, British and foreign government bonds at approximately 8 per cent. Railroad bonds have never played an important part

(Continued on page 12)

BIG BUSINESS DONE ABROAD BY LIFE CO'S

Canadian Firms Have 3 Billions in Force in Foreign Lands

No story of progress of Canadian life insurance is complete without a word concerning the far-flung activities of Canadian life insurance companies in foreign fields.

As early as 1879, the Sun Life of Canada sent a life insurance representative to the eastern group of the British West Indies and thus there began the world-wide trek which now brings Canadian life insurance institutions to no less than 53 countries of the world. There are 14 Canadian companies now operating outside Canada.

Latest available data show that this export of life insurance service and facilities far outweighs the volume of business done in Canada by British and foreign companies. Actually, the volume of insurance in force by Canadian companies abroad is just 50 per cent greater than the volume of business written in Canada by outside companies, the total of Canadian insurance in force in world countries being $3,150,000,000. Incidentally, this staggering total is almost 75 per cent of the total business written in Canada by Canadian companies. In the past few years, the average volume of net business paid for by Canadian companies abroad has been well over the half billion dollar mark annually.

Reasons for Success

Reasons for the success of Canadian companies abroad are perhaps three in number. In the first place, Canadian companies are trusted because they are British. Secondly, they are credited (and rightly so) with the aggressiveness and energy of the United States companies. The third reason is the fact that Canadian companies as a group are among the best-managed life insurance institutions in the world and their prestige has been increased by the splendid record that no policyholder has ever suffered a loss through failure of any Canadian company to discharge in full all liabilities under its contract.

An additional reason, perhaps, is the fact that over a considerable period of years, purchasers of life insurance in foreign lands have come to have a high regard for the excellent supervision of Canadian companies through the federal Insurance Department at Ottawa under which all life insurance companies doing a foreign business, are licensed.

Building Goodwill

From a purely Canadian point of view this expansion across the world has been decidedly advantageous in many ways. It has meant, of course, that Canadian insurance companies are building goodwill for this country through almost one million British and foreign policyholders around the world from Alaska on the north to Cape Horn on the south. To the domestic policyholder, it has been important in that this business has been a source of financial strength to Canadian companies and through the spreading of the insurance risk over a still wider area has enabled Canadian companies to give increasingly wider and more valuable benefit to policyholders both here and abroad.

Exchange difficulties have been comparatively few in spite of the general upheaval of currencies throughout the world. This is because in practically every case, Canadian companies balance their assets and liabilities in the currency in which the policies are issued. Thus, a heavy depreciation in sterling has occasioned no loss because the companies hold sterling assets against sterling liabilities. It has, of course, mitigated against the free transfer of funds from one country to another, but this, it is hoped, is but a temporary situation which will right itself eventually and with no ultimate loss to the companies or their policyholders.

Travelers

Hartford Company Has Big Stake in Canada—Here Since 1865

Travelers Insurance Co. of Hartford has been operating in Canada since 1865 and accordingly is one of the oldest U. S. insurance companies doing business in the Dominion. No detailed figures are yet available for 1932 business but 1931 figures show that the life branch had $136,540,000 in force in this country, more than 75 per cent of which is ordinary insurance and the balance is group. In 1931 the company paid for $11,300,610 of ordinary business and $1,081,950 of group. Practically all the business written in Canada is on a non-participating plan.

At the end of 1931 assets in Canada amounted to $20,537,007 of which $16,128,099 was held solely for the protection of Canadian policyholders. Of the latter figure, practically all was in the form of bonds and debentures approved by the federal superintendent of insurance. Of the total $843,500 was on deposit with the receiver-general at Ottawa, the remainder being held in Canada by trustees.

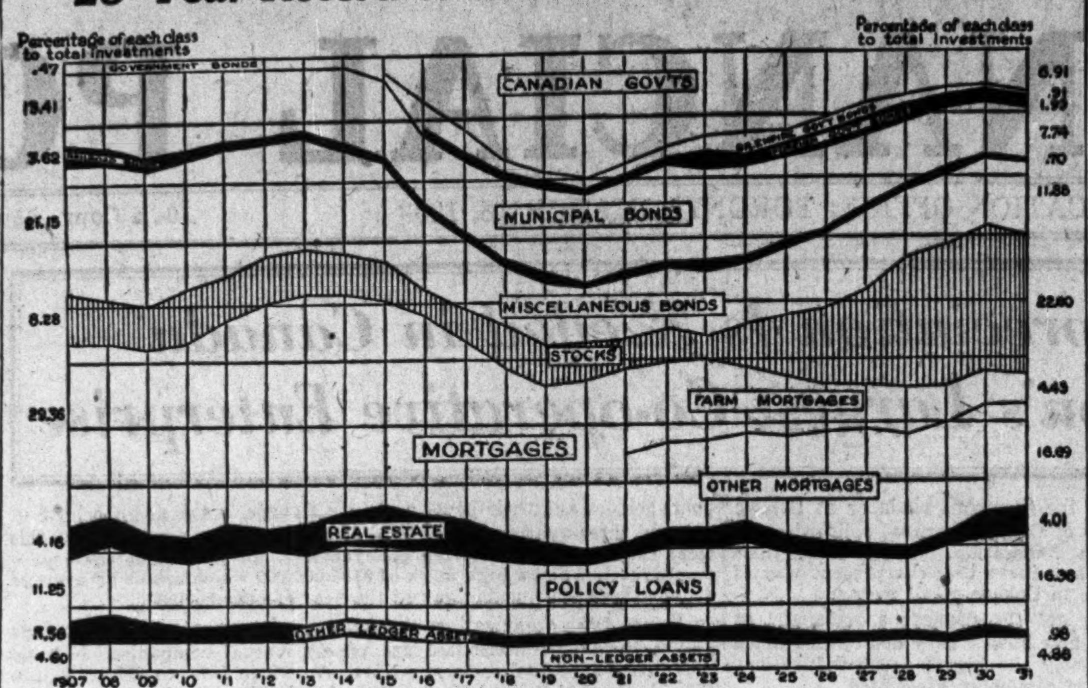
Many Lines

In addition to life insurance the company and its associates the Travelers' Indemnity Co. and the Travelers' Fire Insurance Co., write practically every form of insurance.

Assets of the life company totalled $674,500,000 at Jan. 1, 1933, and business in force was $4,369,000,000. Total payments to policyholders in Canada and the United States amounted to over $1,170,000,000.

Head office of the company in Canada is 465 St. John Street, Montreal, and branch offices are maintained in the chief cities across Canada.

25-Year Record of Life Insurance Investments



A sound investment programme is of primary importance to the successful operation of a life insurance company. This is a composite picture of the investments of all Canadian companies as prepared since 1907 by the Canadian Life Officers' Association. Large holdings of stocks since 1923 are due very largely to the Sun Life Assurance Co. which pioneered this type of investment.

All investments are made in strict conformity with federal and provincial laws which set out clearly the types of investment which life companies may make.

TOTAL FUNDS OF 45 FIRMS TWO BILLIONS

(Continued from page 11)

in the Canadian life insurance investment picture, and for years have comprised less than 1 per cent of the total assets of Canadian companies.

Preferred, Common Stocks

The substantial expansion in holdings of preferred and common stocks by Canadian life companies which has taken place in recent years and which in 1931 totalled 22.6 per cent is due almost entirely to the policy of the Sun Life Assurance Co., which, on the basis of its 1932 figures, had over 52 per cent of its total assets in preferred and common stocks, of which the major portion was common shares.

G. D. Finlayson, federal superintendent of insurance, has for the past two years analyzed the investments of Canadian life insurance companies by classifying on the one hand the assets of the Sun Life and on the other the assets of all other Canadian companies. On this basis it is found that at the end of 1931 all other Canadian companies excluding the Sun Life had only 3.22 per cent of their total assets invested in common and preferred stocks, whereas 52.4 per cent of total Sun Life holdings were invested in either preferred or common shares.

Under certain important restrictions, preferred and common shares have long been a legal investment for life insurance companies in Canada, but the Sun Life alone has developed its investment organization to specialize in this type of investment. Furthermore, until recent months no attempt has been made to legislate, for any life company operating under federal government supervision, the proportion which any one type of security shall bear to total assets. Legislation has now been introduced, however, which will limit in future any one company from investing more than 15 per cent of its total assets in common stocks.

Reference might well be made here to the valuation basis permitted by federal and provincial governments in Canada for annual statement purposes. Through lack of any more suitable basis for annual valuation, mortgages are taken in at book value. Bonds and stocks, however, are taken in at values prescribed by the government which are usually on the basis of ruling quotations as at Dec. 31 in each year.

It is obvious that at a time such as this when value of farm property has shrunk to abnormally low levels, book value, if written down in accordance with sound bookkeeping practice, may probably be a much better yard-stick of the true worth of an investment which is bought on a long-term basis than a current valuation. It is this principle which has led to the general adoption by insurance jurisdictions throughout this continent of average market values for bonds and securities for purposes of 1931 statements.

Essentially the investments of life insurance companies are trust funds — the savings of policyholders put aside year by year against old age or premature death. Under federal and provincial laws life companies in Canada have been set rigid standards of investment which mark clearly, and it is believed wisely, the types of investment which can be made. With perhaps the single exception of New York State these are the most rigid restrictions of any jurisdiction on this continent. They are in sharp contrast to the laissez-faire policy adopted in Great Britain.

POLICY LOANS UP FIFTY P.C. IN THREE YEARS

(Continued from page 11)

gains first-class assets which will yield a high rate of interest. The danger lies, however, in the fact that policy loans unless they are exceptionally well cared for, invariably lead to a heavy lapsation rate as policyholders become discouraged with the necessity of making both premium and interest payments to keep the contract alive. The temptation is strong to surrender the whole contract and make a clean start if health and age permit the taking out of a new contract.

Life companies do their utmost to encourage repayment of the loan the argument being that the policyholder will thereby save himself 6 per cent interest and will restore the cash reserves of his policy at the same time. This is a wise plan of course for it is obvious that there are very few first class investments these days which will yield 6 per cent and if the policyholders have any surplus funds available at all it will be obviously profitable to pay off this loan rather than invest in some new form of security yielding perhaps only 4 or 5 per cent. Most companies have in recent days introduced attractive repayment plans which have proved a valuable aid to the policyholder in offering a plan for systematically reducing the amount of the loan.

Then too, repayment of the loan restores the value of the insurance protection to the amount originally intended when the contract was placed and also re-establishes the cash reserve of fund of the policy for use again if another emergency arises.

Life insurance has undoubtedly proved its value in times of depression and crisis—which is all the more reason why existing contracts should be at least retained and if possible restored under existing conditions. The very substantial volume of new business now being sold is an indication of the high regard in which this form of saving and protection is held even at this most difficult period in economic history.

AUSTRALIA MUTUAL INDUSTRIAL LEADER

Business in Force Totals $31,775,000 — Assets Are Higher

Mutual Life and Citizens' Assurance Co., the head office of which is at Sydney, New South Wales, Australia, commenced business in Canada toward the end of 1913, operating under a Dominion licence. Total assets in Canada at Dec. 31, 1932, amounted to $7,443,930.

Both ordinary and industrial business is written by the company and the $32,000,000 of business in force is divided almost equally between those two branches. New business written in 1932 totalled $5,117,342, of which $4,247,734 was industrial business. The average amount written during the past five years has been just under $6,000,000.

Total assets in Canada at Dec. 31, 1931, the latest date for which complete particulars are available, totalled $6,358,123, of which $5,849,840 is deposited with the receiver-general solely for the protection of policyholders, and consisted entirely of bonds, debentures and debenture stocks.

Head Office—Sydney, N.S.W., Australia.
Head Office in Canada—455 Craig St. W., Montreal, P.Q.
Manager for Canada—J. P. Moore, Montreal.

Classes of Business Written: (In Canada)	Paid for, 1932	Total in Force Dec. 31, 1932
Ordinary business	$	$
Participating	869,608	15,346,359
Non-par.	......	592,267
Industrial	4,247,734	15,836,441

Growth of Business (In Canada)

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1917	273,387	2,252	1,237
1922	1,064,401	14,511	13,738
1927	3,460,005	29,420	11,108
1931	6,358,000	34,356	5,911
1932	7,443,930	31,775	5,117

Total assets, Dec. 31, 1931	$99,085,060
Total bus. in force, Dec. 31, 1931	272,887,436
Total new ins. paid for, 1931	21,000,000

T. EATON LIFE STARTED IN 1920

For Six Years Now Has Sold Insurance by Mail

Originally incorporated under a Dominion license in 1920 to carry group insurance on the employees of The T. Eaton Co., The T. Eaton Life Assurance Co. later dropped this plan and canvassed employees in the ordinary way. In 1926, for the first time, the company solicited business outside The T. Eaton Co., conducting a successful mail order campaign which has been continued.

A system of payroll deductions for premium payments, instituted some years ago, proved extremely successful and resulted in a great increase in business written among employees. With the addition of the business written outside the store, total insurance in force has more than doubled during the past five years, standing at $26,203,000 at Dec. 31, 1932.

Only three types of policies are written by the company, these being ordinary life, 20-pay life and 20-year endowment. The bulk of the business has been written on a non-participating basis although almost all insurance sold outside the store has been participating.

New insurance issued and paid for has dropped off sharply since the high mark of $6,615,000 set in 1929. Total paid for insurance issued in 1932 amounted to $2,531,000.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1922	331,810	1,848	685
1927	1,413,851	12,903	4,351
1931	3,776,000	27,070	3,527
1932	4,452,397	26,203	2,531

Officers—
R. Y. Eaton, pres.; H. McGee, vice-pres.; J. A. Livingstone, mgr.; J. J. Vaughan, sec.-treas.; A. E. Harkness, A.A.S., actuary.

Directors—
Shareholders' Directors — R. Y. Eaton, pres., Toronto; H. McGee, vice-pres., Toronto; Lady Eaton, Toronto; W. G. Dean, Toronto; H. M. Tucker, Winnipeg; J. J. Vaughan, Toronto, S. Wilson, Winnipeg; Mrs. J. S. Burnside, Toronto; T. A. McCrea, Toronto.
Policyholders' Directors — J. E. Dodds, Montreal; J. Elliott, Toronto; J. A. Livingstone, mgr., Toronto; J. G. McKee, Toronto; T. C. Musgrave, Toronto.

Capital—Authorized	$500,000
Subscribed	250,000
Paid-up	100,000

Classes of Business Written:	Paid for, 1932	Total in Force Dec. 31, 1932
Ordinary business	$	$
Participating	206,150	6,52[illegible],941
Non-par.	2,324,851	19,203,164
	2,531,001	26,203,105

London Life

More Than Half Issued Business of $100,000,000 in 1932 Written on Industrial Plan—Business in Force $472,000,000

London Life Insurance Co., with head office at London, Ont., ranks among the first ten insurance companies in Canada. Business in force of the company at the end of 1932 amounted to $471,954,602 of which $218,385,000 was ordinary business $34,090,500 group and $154,479,000 industrial.

Organized at London in 1874, the company originally started on an Ontario charter which was extended to a federal charter some ten years later. At the present time the company conducts business in Canada only, having recently withdrawn from Newfoundland, the only section outside of the Dominion in which it has done business.

In 1887 the company commenced writing industrial business as well as ordinary participating and non-participating insurance, and in 1919 it was one of the pioneers in the group insurance field in Canada.

$100,000,000 New Business

New insurance during 1932 amounted to $100,463,094, paid for insurance being $95,694,353. Of the former total more than one half was industrial business. Insurance in force shows a gain of approximately $10,000,000 from the amount at December 31, 1931.

Assets of the company amount to $77,558,312, an increase of $5,336,895 from the previous year. Analysis of assets shows that 61 per cent of the company's funds was invested in mortgages, 22.4 per cent in bonds and 12.9 per cent was on loans to policyholders. The large amount of mortgages in the company's portfolio is responsible for the high rate of interest of 6.33 earned in 1932.

Strong Reserves

In 1932 the company paid to policyholders and beneficiaries to the amount of $8,801,758 bringing the total since commencement of business to $48,216,000. In addition to the full policy and annuity reserve required, amounting to $61,827,298, the company has investment reserves of $4,211,000 and free surplus of $1,111,000.

During the year, J. G. Richter, president of the company died and was succeeded by J. Edgar Jeffrey, formerly vice-president. Edward E. Reid, managing director of the company was appointed vice-president and managing director

Officers—
J. Edgar Jeffery, pres.; Edward E. Reid, vice-pres. & man. dir.; J. S. Lovell, sec.; J. D. Buchanan, actuary; Angus Graham, M.D., med. dir.; J. F. Maine, supt. ind. agen.; J. G. Stephenson, supt. ord. agen.

Directors—
Representing Shareholders: J E. Smallman, G. E. Reid, A. C. Spencer, J. E. Jeffery, C. L. Jeffery, E. E. Reid, all of London, Ont.
Representing Policyholders: T. W. Baker, W. Gorman, A. McPherson, all of London, Ont.

Field of Operations—
Canada.

Capital—Authorized	$1,000,000
Subscribed	500,000
Paid-up	200,000

Dividends Paid on Capital Stock—
20% per annum.

Classes of Business Written:	Issued (net) 1932	Total in Force Dec. 31, 1932
Ordinary business:	$	$
Participating	30,341,059	213,116,138
Non-par.	17,387,546	70,268,865
Group	1,175,917	34,090,525
Industrial	51,558,572	154,479,074
	100,463,094	471,954,602

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	4,059,376	23,265	7,385
1917	8,050,269	50,787	14,539
1922	19,234,188	129,682	33,228
1927	44,068,930	295,906	80,670
1931	72,221,417	461,207	95,199
1932	77,558,313	471,955	95,684

Percentage Analysis of Invested Assets*

	1932 %	1931 %	1930 %
Bonds:			
Government	7.8	7.2	7.1
Municipal	12.6	9.9	12.4
Other	2.5	3.0	2.9
Total bonds	22.4	20.1	22.4
Stocks:			
Common	1.4	1.6	1.5
Mortgages	61.1	65.6	64.9
Real estate	1.8	1.2	1.2
Policy loans	12.9	11.5	10.0
Other assets	.4	..	..
	100.0	100.0	100.0
Int. earned on mean invested assets	6.33	6.45	6.46

*Life Branch only; Accident and Sickness Branch assets not distributed.

More Radio Licenses Purchased

According to the monthly statement of the radio branch of the Department of Marine, during the ten months ended January 31, 100,000 more radio licenses were taken out than in the whole of the previous fiscal year. The ten months' total was 716,556 as compared with 598,358 for the fiscal year ended March 31, 1932.

RIGHT BACK TO WORK

« « « Those who insure their lives help indirectly to bring comfort and happiness to thousands of people, apart from the beneficiaries immediately concerned.

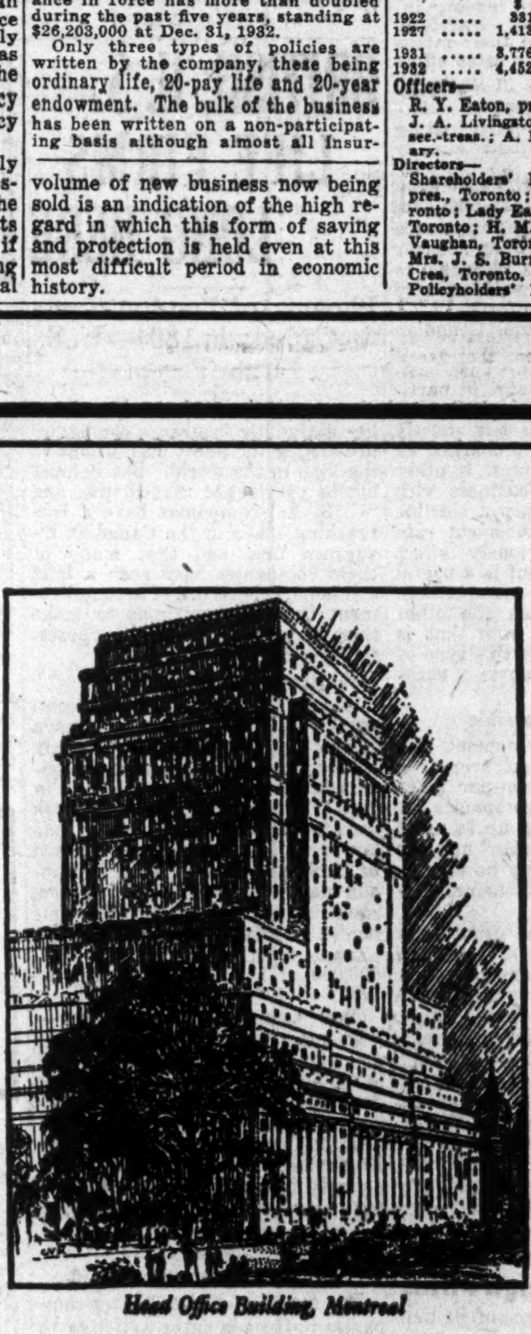
They provide largely the funds for public and private enterprise — railroads, farms, utilities, factories — all those collective activities which mean work and pay rolls.

Life insurance tolerates no idle dollars

Its very existence depends on the prompt re-investment of every dollar received in premiums, for the benefit of the policyholders. These dollars, like water passing through a power house, turn the mighty turbines of trade . . . and then, released, flow on to bring happiness to distant valleys.

While in trust with the insurance company, they turn the wheels of industry, and return at last to the policyholder or his beneficiaries, bringing to the aged or bereaved welcome freedom from financial hardship. Like mercy, life insurance "blesses him that gives and him that takes" — not only those whose future it safeguards but all whose fortunes are linked with those vital economic enterprises that it stimulates and maintains.

« *The Sun Life Company has approximately Two Hundred Millions of dollars invested in Canadian enterprises alone.* »



Head Office Building, Montreal

THE inherent strength of life assurance has been tested and proved during the past three years of general business recession, and the invaluable service it renders the public in times of emergency fully demonstrated.

THE Sun Life of Canada, during this period—probably the most trying in human experience — has maintained its record of progress, and has been of especial service to its great body of policyholders throughout the world.

ITS assurances in force have increased since 1929 by $465,000,000; assets by $43,000,000. Its policyholders now number nearly a million.

Applications for new assurances were received by the Company during 1932 at an average rate of more than $1,000,000 for every working day.

During 1932 the Company paid to policyholders and beneficiaries more than $360,000 for every working day.

Income from renewal premiums was the largest ever received in a single year.

Cash in repayment or reduction of policy loans exceeded that of any previous year.

Revivals of lapsed policies exceeded those of any previous year, with one exception.

The net amount of policy proceeds left with the Company at interest substantially increased.

SUN LIFE ASSURANCE COMPANY OF CANADA

Metropolitan Life

Canadian Business of World's Largest Insurance Company Over Billion Dollar Mark — New Business in 1932 Totalled $223,000,000

Metropolitan Life Insurance Co. is the United States company doing the largest business in Canada and actually has more business in force in the Dominion than any individual life insurance company, Canadian or foreign. The head office of the company is in New York but for many years a Canadian head office has been maintained at Ottawa.

In 1932 the company celebrated its sixtieth year in business in the Dominion. During that period business in force has shown steady and consistent growth topping the billion dollar mark in 1931 for the first time and being maintained at this level at the close of 1932, the total then being $1,030,990,785.

Industrial insurance does much to place the Metropolitan at the head of the list of insurance companies doing business in Canada, there being $386,000,000 of this business in force at Dec. 31, 1932, while the company's nearest rival in business in force does not write this class of business. The company, however, had a large volume of ordinary and group business in force at Dec. 31, 1932, the comparative totals being $577,634,174 and $67,412,964.

Business Issued

Business issued, revived and increased in 1932 amounted to $222,873,450, a slight decrease from the previous year but considerably ahead of the average for the five preceding years. No figure is available for paid for business but if previous experience is any criterion approximately 25 per cent must be deducted from the issued and revived total to arrive at the paid for figure.

In the ordinary field only participating business is written, the total in 1932 being $120,600,000, while almost $100,000,000 of industrial business was transacted. Group business written was comparatively small, only $2,709,000 being added.

Since the company's head office is outside Canada, the Metropolitan maintains adequate reserves on deposit with the receiver-general in Ottawa for the protection of Canadian policyholders. No data are available for 1932, but at Dec. 31, 1931, total assets of the company in Canada amounted to $218,178,000, of which 172,500,000 was deposited iwth the receiver-general in the form of bonds and debentures.

Metropolitan is a purely mutual company having no capital stock and consequently all its policies are issued on a participating basis. Not only is it the largest insurance company in the world having $18,980,743,000 business in force at Dec. 31, 1932, but its record of total assets at the same date of over $3,769,000,000, makes it the largest financial institution in the world.

Head Office—1 Madison Ave., New York City.

Head Office in Canada—180 Wellington St., Ottawa, Ont.

Classes of Business Written (In Canada)	Issued 1932*	in Force Total Dec. 31, 1932
Ordinary business:	$	$
Participating ..	120,577,748	577,634,174
Group	2,708,459	67,412,964
Industrial	99,587,243	385,943,647

Growth of Business (In Canada)

Year	Assets $	Business in Force ($ 000)	New Ins. Issued* ($ 000)
1912 ...	13,812,294	105,481	36,859
1917 ...	30,524,939	222,214	54,519
1922 ...	75,493,131	480,562	113,574
1927 ...	141,703,193	769,270	175,803
1931 ...	231,037,000	1,036,136	†158,016
1932 ...	234,815,254	1,030,991	222,873

Total assets, Dec. 31, 1932 .. $3,769,372,425

Total business in force, Dec. 31, 1932 18,980,743,208

Total new insurance issued, 1932* 3,273,178,268

*Insurance issued, revived and increased, including net increases on group policies.

† Paid for.

CAPITAL LIFE ORGANIZED 1912

Ottawa Company Has Now $17,600,000 Business in Force

Capital Life Assurance Co. of Canada was incorporated in 1912 under Dominion charter and has made slow but steady progress since that time. In common with the majority of companies, paid for business in 1932 was considerably less than in the previous few years, the total of $2,087,346 paid for in 1932 being less than one half of the 1929 total.

Business in force at the end of 1932 also showed a falling off from the total at the close of the previous year, in all only $17,651,135 being in force compared with $20,145,000 at Dec. 31, 1931.

The company's 1932 financial statement shows payments to policyholders and expenses in 1932 were greater than net premiums received and interest by $56,728 and ledger assets have been reduced by this amount. Total assets amounted to $2,624,828, of which 58.4 per cent was bonds and debentures, 20.7 per cent loans on policies, 7.9 per cent mortgages on real estate and $250,815, or 9.5 per cent premiums outstanding or deferred.

Interest earned on invested assets in 1932 was 5.26 per cent, compared with 5.72 per cent in the previous year. Death claims paid during the year amounted to $111,331, or 62 per cent of the expected mortality, payments to policyholders totalling $433,912 plus $34,565 in dividends.

Officers—

J. J. Lyons, pres.; A. E. Corrigan, vice-pres. and mgr.; L. N. Poulin, vice-pres.; E. M. McNiece, sec.; C. B. Cullinan, actuary.

Directors—

Representing Shareholders: J. J. Lyons, A. E. Corrigan, W. H. McAuliffe, Col. L. T. Martin, all of Ottawa; R. P. Gough, Toronto; E. W. Tobin, Bromptonville; D. B. Mulligan, New York.

Representing Policyholders: L. N. Poulin, Col. D. R. Street, Ottawa; Gordon Grant, Toronto; Dr. N. A. Dussault, Quebec.

Capital—Authorized	$1,000.000
Subscribed	809,900
Paid-up	136,060

Classes of Business Written:	Paid for, 1932	Total in Force Dec. 31, 1932
Ordinary business	$	$
Participating .... / Non-par.	2,087,346	17,651,135

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	178,023	1,242	1,102
1917	405,479	3,865	1,204
1922	1,127,471	8,308	1,519
1927	2,178,943	14,474	2,952
1931	2,818,000	20,145	2,502
1932	2,624,828	17,651	2,087

Excelsior Life

Toronto Company Writes Only in Canada — $94,600,000 in Force

Established at Toronto just before the turn of the century, Excelsior Life Insurance Co. has been operating in Canada under federal license since 1897. The company confines its activities entirely to the Dominion.

At the end of 1932 the company reported total business in force of $94,600,000 and new business paid for of just over $10,000,000. The high mark in paid for business was reached in 1928 when a total of $14,600,000 was reported. Average volume of paid for business in the past five years has been approximately $12,000,000.

Assets $19,000,000

Total assets at the end of 1932 amounted to just over $19,000,000. Of this total 45 per cent was invested in bonds and 23 per cent in first mortgages. Policy loans were higher at the end of the year at just over $4,000,000 or 22 per cent of invested assets.

During the year the company strengthened its contingency reserve by the transfer of $270,000 from surplus. The latter account was maintained at the end of the year, however, at $1,500,000 a slight increase over the corresponding figure of the previous year. Contingency reserve now stands at $600,000.

Officers—

Alex. Fasken, K.C., pres.; J. L. Ross, 1st vice-pres.; G. R. Warwick, 2nd vice-pres.; A. C. Galbraith, gen. mgr.; C. P. Muckle, sec.-treas.; T. A. Dark, actuary; C. Q. Parker, investment mgr.; A. W. Johnston, asst. actuary; T. O. Cox, supt. of agencies; J. N. Babcock, asst. supt. of agencies; A. P. Johnston, acct.; John Ferguson, medical referee.

Directors—

Representing shareholders: Alex. Fasken, J. L. Ross, S. F. Duncan, F. E. Maulson, H. S. Gooderham, A. Matthews, Toronto; G. E. Weir, Dresden, Ont.; G. S. Kilbourn, Owen Sound.

Representing policyholders: G. R. Warwick, Toronto; G. B. Nicholson, Chapleau, Ont.; P. F. Casgrain, K.C., Montreal; Stuart Cameron, Vancouver.

Field of Operations—Canada.

Capital—Authorized	$500,000
Subscribed	500,000
Paid-up	150,000

Dividends Paid on Capital Stock—$2.40 per annum.

Classes of Business Written	Total in Force Dec. 31, 1932
Ordinary business:	$
Participating	66,482,439
Non-par.	28,139,740
Industrial*	8,916
	94,631,095

*No longer issued.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	2,855,070	16,718	2,681
1917	4,593,716	21,079	5,114
1922	8,080,259	48,412	7,336
1927	13,327,152	76,387	11,716
1932	19,019,349	94,631	10,186

Percentage Analysis of Invested Assets

	1932 %	1931 %	1930 %
Bonds:			
Government	19.0	18.9	17.7
Municipal	14.7	15.6	16.8
Other bonds	11.7	12.2	12.7
Total bonds	45.4	46.7	47.2
Stocks:			
Preferred	1.1	1.0	1.1
Common	.7	.7	.2
Mortgages	22.7	23.4	26.2
Real estate	7.5	7.9	6.8
Policy loans	22.2	19.8	18.2
Other assets	.4	.5	.3
	100.0	100.0	100.0
Int. earned*	5.45	5.72	5.88

*On mean invested assets.

Other People's Views

Balanced Budget

Calgary Herald: It is just as important for a city to balance its budget as it is for a provincial or federal administration because it is the requisite step toward a restoration of confidence. The problem that faces the Calgary administration right now is to keep expenditures of all kinds within the cash income.

Encouragement to Spend

Ottawa Journal: Ontario incomes already pay a double tax—to the Dominion and to the municipality—and creation of the proposed surtax in the local field would be difficult of defence. It would raise some additional revenue, of course, but at the expense of antagonizing the fortunate ones who come within the classification affected, of routing capital out of the province, of encouraging municipal governments in spending more money when they ought to be spending less. The old game of socking the rich man with a brick whenever he shows his head is popular with a certain type of politician, but in the long run its usefulness as a means of producing revenue is extremely doubtful.

Good Reasons Behind Insurance Valuations

Change from Former Market Value Basis for Bonds and Stocks in Best Interests of Policyholder

Policyholders often wonder just what has been done in the past two years by way of changing the basis upon which life insurance investments are commonly valued.

Until two years ago the method in common use among Canadian federal and provincial jurisdiction was to value bond and stock holdings of insurance companies (with some exceptions) on the basis of market values prevailing on the last day of the calendar year. With the precipitous decline in market prices during 1931 and 1932, it was felt that quotations on any one day failed to give a true picture of the intrinsic value of securities which had been bought for long-term investment and which did not need to be sacrificed at current low market levels.

Average Values Now

A valuation basis for the past two years has therefore been adopted by using "average" values of extending over several quarterly periods, it being unanimously agreed by insurance commissioners and superintendents in Canada and the United States that by so doing the interests of policyholders were most adequately served.

Just why this is a sound and reasonable course to pursue was clearly outlined recently by G. Cecil Moore, assistant general manager of the Imperial Life Assurance Co. in his presidential address before the Canadian Life Officers' Association at Toronto. He said:

"The Dominion Act respecting life insurance companies that each company shall prepare annually a statement of its condition and affairs and that in such statement the bonds. debentures, stocks and other securities shall be taken into account at the market value applicable to such securities at the date of statement. The main purpose of such annual statement is that the solvency of the company may be determined.

Principle Defined

"Under existing conditions the question naturally arises, what is market value?

"I do not know why the term has been generally accepted by the public as meaning bond and stock quotations on the exchanges. Certainly, the court decisions of this continent defining the term—and there are many such decisions—do not give it this meaning. It is true that one reading these court decisions would find it hard to arrive at a complete definition capable of general application. Nevertheless, a principle common to practically all these decisions appears to be that the market value of any asset is the value under normal conditions, with no undue influences operating either to compel selling or to induce buying, and with, therefore, the rate of interest, the safety of the capital invested and all the other important factors affecting intrinsic worth given proper weight and consideration.

"Neither in times of unduly inflated values, nor in times of unduly depressed values, do current market quotations conform to the principle just stated and reflect true intrinsic worth and in such times market quotations are quite inappropriate either as a test of solvency or as a basis of operations for a company constituted as a life insurance company is.

Effect on Policyholders

"If in a time of wide speculation, over development and inflation a life company employs market quotation values and distributes surplus on the basis of such values, it thereby reduces its future surplus earning power, weakens its financial structure and leaves itself in an impoverished condition to meet any succeeding period of depression.

"If, on the other hand, in times of depressed business conditions and unduly deflated market quotation values a life company is forced to employ such values, not only is an injustice in regard to dividend allotments done the present policyholders of such company to the undue advantage of future policyholders, but a company well able to carry out all its obligations in their entirety as they mature in the future and moreover make large surplus earnings yearly might readily be forced into a technical insolvency.

"To illustrate this, assume a company has one hundred million dollars of liabilities and that its policy reserves, which would naturally form the bulk of these liabilities, are calculated upon a three and a half per cent interest basis. It also has assets of exactly one hundred million dollars, which we will say for the sake of simplicity are all invested in four and a half per cent Dominion Government bonds, which are carried in its books at par. The company is, therefore, not only able to carry out all its obligations, but will have large surplus earnings from interest alone, these surplus earnings in the early years being around a million dollars a year.

"Now, assume a change in general financial conditions takes place, forcing interest yields to higher levels and depreciating the market quotations of corresponding four and a half per cent Dominion Government bonds to ninety. If the life company referred to were compelled to employ market quotation values in its statement, we should have the anomaly of such company being rendered insolvent to the extent of ten million dollars, although since it can carry its bonds to maturity and will then receive full value for them, with full interest in the meantime, it is in just as good a position as before not only to fulfill all its obligations. but to make the same high yearly surplus earnings from interest.

Why Life Companies Differ

"Several factors unique with a life insurance company tend to bring about this anomaly and to make either distress market quotation or inflated market quotation values inapplicable to a life company's statement.

"One important factor is the rigid and conservative basis on which a life company's liabilities have to be calculated, which under Canadian law does not permit the assumption for future interest earnings of a higher rate than three and a half per cent in computing the insurance and annuity reserves which, as before intimated, form the bulk of a life company's liabilities. This stringent interest standard of valuation of liabilities cannot be modified to suit changed conditions. It continues to apply, no matter to what extent altered economic and financial conditions may raise or lower the general rate of interest or otherwise affect the market quotation value of the company's assets.

Long Term Investments

"Another important factor is that life companies are long term investors and that even in times like the present, when the abnormal demand for loans and surrender values has made the life companies to some considerable extent the bankers of the nation, they have still been able to meet all disbursements out of current income, thereby making it unnecessary to liquidate assets in the existing depressed markets.

"It may be said in passing, that the ability of the life companies not only to retain their present enormous investment holdings but to make further investments in such periods as this through which our country is now passing, must of necessity have a constructive, steadying and altogether beneficial effect on financial and economic conditions generally.

"The foregoing remarks regarding valuation of securities are applicable in more or less degree to all classes of securities entering into a life company's statement. They make evident the menace to the life insurance business which would follow slavish adherence throughout varying economic and financial phases to market quotation values and show why common sense rules should be, and are, applied to the valuation of a life company's assets."

See Modern Corporation As Ruler of Economic Life

Authors of "Modern Corporation" Find Its Controllers as Trustees Managing Private Property For Social Good

Eleven corporations whose securities are listed on the New York Stock Exchange have each assets of over a billion dollars. Two hundred corporations control the bulk of the wealth of that country.

The situation is not greatly different in Canada.

Where does the rise of the modern giant corporation portend? Does it mean that wealth and power are being concentrated in the hands of a small oligarchy? Is it a new feudalism? Or is the private corporation, private at all? Is it perhaps only a new way of diffusing ownership and power?

A serious attempt to define the influence of the corporation upon modern society is made in "The Modern Corporation and Private Property," an exhaustive study by A. A. Berle, Jr., and Gardiner C. Means.

"The rise of the modern corporation," say the authors, "has brought a concentration of economic power which can compete on equal terms with the modern state—economic power versus political power. The state seeks in some aspects to regulate the corporations, while the corporation makes every effort to avoid such regulation. Where its own interests are concerned, it even attempts to dominate the state. The future may see the economic organism, now typified by the corporation, not only on an equal plane with the state, but possibly superseding it as the dominant form of social organization."

This however is merely their final thought-provoking sentence. Preceding it is a fascinating study of corporate forms and corporation significance. Particularly interesting is their presentation of the "control" of corporations as a neutral social instrument that balances the claims of owners against the claims of society, and that gives less weight to private cupidity—or the selfish interests of stockholders—than to public policy—the demands of the state, of workers, of consumers and all groups in the community.

The modern corporation as a means of organizing economic life is the basic thought of the study.

The volume is published by the Macmillan Company of Canada at $4.50.

New Books

"Libraries in Canada"

Financed by the Carnegie Corporation, a commission of inquiry appointed by the American Library Association has published the results of a study of Canadian libraries. Three Canadian librarians, John Ridington of the University of British Columbia, Mary J. L. Black, of Fort William and Dr. George H. Locke, of Toronto, made the survey.

They find Canadian libraries progressive but not uniform in character or quality; handicapped by inadequate provincial legislative and financial support. They recommend better control by the provinces; more adequate training for librarians; more definite arrangements for financial support. They envision at some indefinite future date a National Library and a Canadian Library Association. Practically, they find these out of the question now.

The report is a scholarly effort, reasonable in its demands. It makes out a strong case for the library as a definite part of our educational system. Its chief weakness is that it gives inadequate attention to the relation of the state to education past the public school age and to the financial problems of government.

It may be questioned if three librarians alone should have brought out such a report. It is like asking the heads of experimental farms to report on what government policy toward such farms should be. The view can not be sufficiently objective to win adequate public acceptance.

Interesting is the fact that the relationship of private philanthropy and endowments is little discussed. The commissioners assume that providing libraries for the people is an educational job of governments. That may be right; their views on the question are valuable but they do

The report is published by the Ryerson Press, Toronto.

Paid in Death Claims, Dividends, Etc., in Canada, in 1932 more than $14,100,000

Total Paid Canadian Members or Their Families in Claims, Dividends, Etc., Since 1909 - - - - $81,870,000

Canadian Bonds Owned by The Prudential on December 31, 1932 Totaled - $125,016,189

The Investment in Canadian Real Estate Mortgage Loans by The Prudential was, on December 31, 1932 - $52,859,518

Since it began business in Canada in 1909 The Prudential has paid in claims and dividends to Canadian members or their families, has invested in Canadian bonds and real estate mortgages, has cash on deposit in Canadian banks, has paid to its Canadian staff in salaries and commissions and has paid for office rents, etc., $136,600,000 more than the total premiums received from all Canadian members.

The Prudential Insurance Company of America

EDWARD D. DUFFIELD, President HOME OFFICE, Newark, N. J.

Security—Stability for Sixty-One Years

DESPITE the wars, panics, depressions, epidemics and misfortunes from which men and business have suffered during the past sixty-one years, the Confederation Life Association has gone steadily along its way promptly paying claims to living policyholders and to beneficiaries of policyholders.

• Since 1871 it has disbursed more than $107,000,000 to policyholders and beneficiaries. Of this amount, more than $69,000,000 has been paid to living policyholders and over $37,000,000 to beneficiaries of policyholders.

• The total assets of the Confederation Life Association, at the end of 1932, were over $92,000,000—an increase of nearly $4,000,000 over 1931, after valuing invested assets at *less* than the amount authorized by the Insurance Department at Ottawa.

• These simple facts may help you to understand why the conservative investment principles of the Confederation Life Association have earned for it the reputation of being one of the strongest Life Insurance Companies in the world.

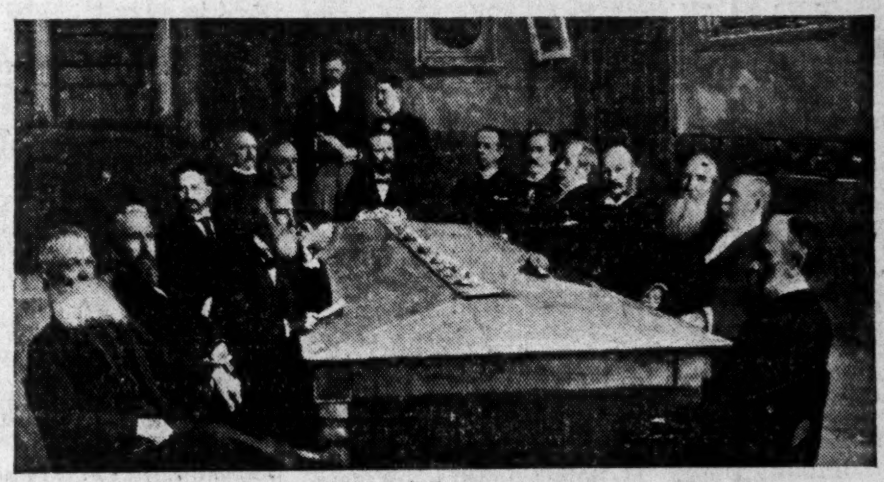
Percentage of Total Invested Assets

Bonds and Debentures:	
Government and Municipal - - -	34.35%
Other - - - - -	18.24%
Mortgages:	
City and Town - -	14.30%
Farm - - - - -	2.14%
Policy Loans— Ordinary Premiums -	17.01%
Policy Loans— Single Premiums - -	4.78%
Real Estate - - - -	4.29%
Common Stocks - - -	2.28%
Preferred Stocks - -	1.51%
Sundries - - - - -	1.10%
	100.00%

Confederation Life Association

Head Office Toronto

Little Stories of Big Results



The Board of Directors of the Mutual Life of Canada in 1897, many of whom were on the Board when the first annual meeting was held on February 5th, 1871.

AT the first Annual Meeting of the Company in 1871 the President made the following remarks:

"We were led to entertain the project of establishing a Life Assurance Company, based upon purely mutual principles, believing it highly desirable that the benefits of Life Assurance should be extended as widely as possible and at the cheapest rates compatible with safety to the assured."

With the passing of time the prophecies made in 1871 regarding the Mutual Life of Canada have come true. How well the Company has succeeded in fulfilling the object of the founders and the extent to which participation in the entire surplus earnings of the company has reduced the net cost of protection is revealed by our policy results of which these examples are typical.

If you need insurance, for protection or investment, consider the outstanding results of Mutual Life of Canada policies and share in the success of the Company by becoming a policyholder. Use the coupon, today.

Policy No. 175

In 1873 this policyholder bought an Ordinary Life Policy for $1,000.00 on which he was to pay a premium of $18.90 every year. He arranged, however, to leave his dividends with us to apply against these premiums.

What happened as a result of his investment?

He has enjoyed sixty years of protection, for which he paid an average of $7.03 per year. His policy is now worth $848.90 in actual cash, which is $427.22 MORE THAN HE PAID IN PREMIUMS.

Policy No. 3310

This policyholder, in 1876, bought an Ordinary Life Policy for $1,000.00, on which he paid a premium of $18.40 yearly, leaving his dividends to accrue.

What happened as a result of his investment?

In 18 years his dividends mounted up to the point where they were sufficient to prepay all future premiums. He had paid in only $331.20. He has had full protection for 57 years. He has received $439.86 in cash dividends since his policy became paid up, and in addition his policy today has a cash value of $869.65. While it remains in force he will receive a cheque each year for his share of the surplus earnings of the Company.

THE MUTUAL LIFE Assurance Company OF CANADA

Owned by the Policyholders

Head Office: WATERLOO, ONT.

Established 1869

Please send me your booklet, "Mutual Achievement," containing additional little stories of big results.

Name ....

Address ....

Age ....

Sun Life of Canada

Largest Canadian Company Now Does Business in 35 Countries — New Business Declines But Position Well Maintained

Not only is Sun Life Assurance Co. of Canada the largest institution of its kind in the Dominion, but its operations now extend to 42 of the United States and to 35 countries throughout the world. With the exception of Australia and Continental Europe there is hardly a country in the world that does not know the name "Sun of Canada."

Originally incorporated in 1865 under the name "Sun Insurance Co. of Montreal," the original intention was to carry on a general insurance business. Six years later, however, its name was changed to the Sun Mutual Insurance Co. of Montreal and its business confined to life and accident insurance. The first policy was written in 1871 and until 1893 both life and accident insurance were written.

First to Go Abroad

Only nine years after the company commenced writing business, it made its first venture into foreign fields, opening an agency in British West Indies. Incidentally, Sun Life was the pioneer Canadian company to venture abroad in this way. In 1882, the name of the company was changed to its present title. Other milestones in the company's development were the establishment of an office in England in 1894 and its entry into the United States by an office in Detroit in 1895.

According to the company's latest report, total assets at the end of 1932, amounted to $611,436,000. Of this total, over 49 per cent represents investment in common stock, which has been a feature of Sun Life's investment policy since 1902. The company has been a pioneer in this field, its first venture being into the realm of public utility stocks just over thirty years ago.

This policy was followed with increasing vigor after the war, the company's holdings of high-grade industrial and public utility common stocks having increased from approximately 3 per cent of total ledger assets in 1920 to a peak of 54 per cent in 1929. Preferred stock holdings have varied considerably on a ratio basis, reaching a peak in the past decade of 14.5 per cent of ledger assets in 1926. Present holdings are slightly under 4 per cent of total ledger assets.

Valuation Basis

Valuation of common and preferred shares at the end of 1932 is shown in the company's balance sheet at $312,000,000, this figure being on the basis of "average" values allowed by the various insurance jurisdictions of Canada and the United States for 1932. This valuation basis applies to all life insurance companies on the continent and has been deemed a sound and reasonable policy and in the best interests of policyholders. Bond holdings of the company are slightly lower at $108,000,000, while policy loans outstanding increased $12,000,000 to a new high of $99,500,000.

No figures are available for 1932 but on the basis of 1931 returns, approximately two-thirds of the company's total business in force is outside Canada, the actual figure for 1931 being $2,151,000,000. Total business in force in Canada at the end of that year was $898,000,000, both of these figures give Sun Life of Canada leadership in Canada.

The company also has the largest volume of group insurance in force either in Canada or among Canadian companies doing business abroad. Total group business at the end of 1932 amounted to $366,817,000, although in 1932 Sun Life yielded to its old rival, the Canada Life, in volume of new group business paid for during the year. The company writes no industrial business.

In spite of an exceedingly difficult year, the company was able to meet all disbursements from income, the actual excess of income over disbursements being just over $13,000,000. Thus, in common with other leading insurance companies no sacrifice of securities was necessary during the year, comparatively few sales having been made. Actual net profits from these sales were approximately $241,000.

New Business Down

New business paid for during the year showed a sharp drop from $528,000,000 the previous year to $284,000,000. Reasons for the decline, according to Arthur B. Wood, vice-president and managing-director, are found in the unusual decline in production in some foreign countries where the company operates and where, due to the local political situation, local economic conditions or both, the company has deemed it advisable to restrict its new underwritings for the time being. Group business in 1932 on a paid for business totalled $16,000,000, as compared with $54,000,000 the previous year.

High regard in which the company is held by its own policyholders is indicated by the fact that in 1932 approximately 40 per cent of the new Canadian paid for business came from old policyholders.

In the past three years the company has added 205,000 policyholders to its membership, while insurance in force advanced $480,000,000 and assets by $43,000,000. In this period the company has paid out more than $300,000,000 in benefits to policyholders. This compares with total payments of this nature since the incorporation of the company some 58 years ago of $702,000,000.

These figures indicate in a striking manner the severe demands that have been made on life companies on this continent in the past few years and they are a tribute to the inherent strength of the insurance structure in this country.

Comparative figures and details of the company's operations follow:

Officers—
T. B. Macaulay, pres.; A. B. Wood, vice-pres. and man. dir.; E. A. Macnutt, vice-pres. and treas.; C. S. V. Branch, 2nd vice-pres.; G. W. Bourke, actuary; J. J. Cooper, J. B. Mabon, and C. D. Rutherford, asst. actuaries; H. W. K. Hale, sec.; E. E. Duckworth and D. L. Macaulay, asst. secretaries; H. P. Thornhill, asst. treas.; J. W. Brown, investment sec; J. W. Simpson, chm. agency executive committee; J. S. Ireland, F. D. Macorquodale, H. M. Moore, W. S. Penny, supt. of agencies; G. H. Harris, supv. field service bureau; C. E. Reid, supv. group dept.; J. A. Ewing, K.C., legal adviser; C. C. Birchard, chief medical officer; J. K. Gordon, A. W. Young, asst. medical officers; W. F. Hamilton, consulting medical referee; H. O. Leach, gen. mgr. British dept.; I. A. Miller, res. act'y., British dept.

Directors—
Representing shareholders: T. B. Macaulay, A. B. Wood, R. Adair, E. W. Beatty, K.C., J. R. Dougall, Sir H. S. Holt, J. W. McConnell, C. Riordon, Hon. L. C. Webster, all of Montreal; Hon. L. A. Taschereau, Quebec; Hon. J. C. Tory, Halifax.
Representing policyholders: W. M. Birks, Hon. R. Dandurand, K.C., R. H. McMaster, A. B. Purvis, J. W. Ross, all of Montreal; C. B. McNaught, Toronto.

Field of Operations—
Canada, Newfoundland, Bermuda, 42 states, districts and territories of the U.S.A., Cuba, Porto Rico, Santo Domingo, Haiti, Philippine Islands, British Honduras, Nicaragua, Guatemala, British West Indies, Curaçao, British, French and Dutch Guiana, Peru, Chile, Argentine Republic Great Britain, Northern Ireland, Irish Free State, Malta, Siam, Syria, Palestine, Union of South Africa, Southern Rhodesia, Egypt, India, Burmah, Ceylon, Straits Settlements, Netherlands, East Indies, Federated Malay States, China, Japan and Hong Kong.

Capital—	
Authorized	$4,000,000
Subscribed	2,000,000
Paid-up	2,000,000

Classes of Business Written:	Total in Force Dec. 31, 1932
Ordinary business	$2,592,135,337
Participating	2,431,517,111
Non-par.	160,618,226
Group	336,816,696

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	49,605,616	183,147	30,814
1917	90,160,174	313,089	47,811
1922	174,088,858	633,873	90,798
1927	401,305,884	1,583,910	328,408
1931	624,804,455	3,051,077	527,635
1932	611,436,153	2,928,952	284,098

Percentage Analysis of Assets

	1932 %	1931 %	1930 %
Bonds:			
Government	6.6	6.5	3.7
Municipal	2.2	2.6	2.3
Other	10.6	11.5	9.9
Total bonds	19.4	20.6	15.9
Stocks:			
Preferred	3.9	5.7	5.6
Common	49.4	48.9	52.8
Mortgages	4.9	5.0	5.6
Real estate	4.5	4.8	4.3
Policy loans, etc.	16.5	14.1	12.9
Other assets	1.4	1.4	2.9
	100.0	100.0	100.0

Prudential Life

Industrial Business Makes Up 60 Per Cent of Business in Force

Prudential Insurance Co. of America was granted a Canadian license to transact life business in 1908 and commenced writing business in Canada in 1909. Ordinary and industrial insurance were written for 20 years before group was added in 1929.

Over half a billion dollars of business was in force in the Dominion at the end of 1932, more than $300,000,000 of which is industrial business, $192,862,241 is participating ordinary business and the balance of $11,972,000 is group.

New business paid for in 1932 totalled $74,213,000, of which $49,844,000 was industrial business. Of the industrial business, $10,941,000 was written on a monthly premium plan making the total of this type of industrial insurance in force $33,000,000. Ordinary participating business paid for was $23,181,000 and $1,188,00 was the total for group business.

Total assets in Canada at the end of 1931, the latest available figures, totalled $86,818,931, of which $77,671,933 was deposited with the Receiver General at Ottawa in the form of bonds and debentures for the specific protection of Canadian policyholders.

Total assets of the company were $2,773,769,344 at Dec. 31, 1932.

Head Office—Newark, N.J.

Canadian Offices—
H. P. Douglas, mgr. (ordinary business) for Quebec and chief agent in Canada.
R. J. Williams, mgr. (ordinary business) for Ontario.
Richard Trainer, supervisor in Canada for company's industrial agencies which are operated in all parts of the Dominion.

Classes of Business Written (In Canada)	Paid for, 1932	Total in Force Dec. 31, 1932
*Ordinary business:	$	$
Participating	23,180,977	192,862,241
Group	1,188,000	11,971,641
Industrial	38,903,372	268,817,271
Intermediate monthly premium	10,941,181	33,036,269

Growth of Business (In Canada)

Year	Assets $	Business in Force ($ 000	New Ins. Paid for ($ 000)
1912	291,516,195	39,225	19,047
1917	475,371,914	99,071	27,296
1922	906,397,225	218,191	44,532
1927	1,789,266,620	393,634	84,613
1932	2,773,769,844	506,687	74,213

*Excludes intermediate monthly premium.

Northern Life

Interest Earnings Higher — Surplus Gains in 1932

Northern Life Assurance Co. of Canada, with head office at London, Ont., was incorporated in 1894 and has done business throughout Canada since 1897. Business in force at Dec. 31, 1932, amounted to $48,854,242 of which $46,523,000 was ordinary business and $2,330,550 group.

New business paid for during the year amounted to $4,156,735 compared with $4,939,000 in 1931 and compared with a high record of nearly $17,500,000 in the peak year of 1928. The company's new policy, introduced with the appointment of G. W. Geddes as general manager in 1932, of concentration on the Ontario field, is partly responsible for this large decrease in paid for business.

Mortgages, chiefly on eastern urban property, form the largest individual item among the company's assets at December 31, 1932, the total being $3,235,095 or 38.6 per cent of total ledger assets. Bonds and debentures at approved values account for $2,857,713 or 34 per cent and loans to policyholders for $1,690,263 or 20 per cent. Real estate accounts for 4 per cent and preferred and common stocks for 1 per cent of ledger assets.

The company's balance sheet at Dec. 31, 1932, shows a stronger position than at the close of the previous year, surplus being $57,572, compared with $6,000 at Dec. 31, 1931.

Payments to policyholders during 1932 totalled $1,318,266. Against the general trend the company showed a higher rate of interest earned on ledger assets in 1932 than in 1931, the comparative percentage being 5.73 and 5.58.

Officers—
R. G. Ivey, pres.; W. E. Robinson, vice-pres.; G. W. Geddes, gen. mgr. and actuary.

Directors—
Representing Shareholders: R. G. Ivey, Ray Lawson, J. E. McConnell, W. E. Robinson, F. A. McCormick, S. Thompson, M.D., all of London.
Representing Policyholders: J. S. Moore, Major G. J. Ingram, J. G. Thompson, London.

Classes of Business Written:	Paid for, 1932	Total in Force Dec. 31, 1932
Ordinary business:	$	$
Participating	3,202,398	36,673,123
Non-par.	954,337	9,850,569
Group	none	2,330,550

Capital—	
Authorized	$1,000,000
Subscribed	1,000,000
Paid-up	250,000

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	1,810,228	9,007	2,205
1917	3,090,779	12,437	3,298
1922	4,495,263	30,464	9,644
1927	6,288,065	44,821	17,037
1931	8,873,000	53,196	4,939
1932	8,820,622	48,854	4,157

Dominion General Has Life Branch

Dominion of Canada General Insurance Co., whose life department was incorporated in the latter part of 1924, had $7,857,406 business in force at Dec. 31, 1932, of which $7,568,181 was ordinary non-participating insurance and the balance group insurance.

New insurance issued in 1932, on a paid for basis, amounted to $1,482,839, slightly more than the $1,407,000 paid for in 1931. Business in force has shown steady growth since 1924.

Assets applicable to the life department only, amounted to $726,920 at Dec. 31, 1932, an increase of nearly $86,000 from the total recorded at the close of the previous year.

Officers—
Col. A. E. Gooderham, pres.; Major A. E. Gooderham and D. G. Ross, vice-pres.; H. W. Falconer, man. dir.; J. C. Dodds, treas.; J. C. Stuart, gen. supt.

Directors—
Col. A. E. Gooderham, Major A. E. Gooderham, Col. G. G. Blackstock, G. H. Gooderham, D. G. Ross, E. D. Gooderham, H. W. Falconer, J. P. Nicholls, all of Toronto.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1927	220,000	4,090	1,549
1928	324,000	5,777	1,945
1929	425,000	6,584	1,588
1930	541,000	7,463	1,477
1931	641,000	7,824	1,407
1932	727,000	7,857	1,483

Standard Life

Canadian Record of Old Scotch Company Dates to 1846

Second oldest British life insurance company to enter the Canadian field the Standard Life Assurance Co. of Edinburgh has been active in Canada since 1846.

According to figures submitted this week to The Financial Post by W. H. Clark Kennedy the company's chief agent in this country, total business in force at the end of 1932 amounted to $30,545,000 a decline of less than a million dollars from the corresponding figure of the previous year.

$2,000,000 New Business

New business paid for in 1932 totalled just over $2,000,000 against $2,260,000 the previous year. Of the 1932 total, all but $167,000 was ordinary participating business.

The company's assets in Canada amount to over $19,000,000 of which almost $12,000,000 is on deposit with the receiver general at Ottawa for the sole protection of Canadian policyholders.

Head Office—Edinburgh, Scotland.
Head Office in Canada—391 St. James St., Montreal.
Chief Agent in Canada—W. H. Clark Kennedy.
Canadian Directors — D. Forbes Angus, chairman; Sir Charles Gordon, F. E. Meredith, K.C., G. B. Fraser.

Classes of Business Written: (In Canada)	Paid for, 1932	Total in Force Dec. 31, 1932
Ordinary business:	$	$
Participating	1,902,030	24,435,779
Non-par.	167,250	6,108,944
	2,069,280	30,544,723
Group	none	
Industrial	none	

Growth of Business (In Canada)

Year	*Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1917	67,613,240	20,696	563
1922	69,665,525	25,204	3,164
1927	80,470,170	28,715	2,869
1932	106,800,000	30,545	2,069

*Total company assets, British and Canadian business.

Vancouver Silk Handlings Large

Figures prepared by the Vancouver Harbor Board show that 82,279 bales of raw silk were handled through this port during 1932, thus placing Vancouver at the head of all silk ports on the Pacific Coast.

Monarch Life

Business in Force Now $56,000,000 — Assets Higher

Organized twenty-seven years ago at Winnipeg, Monarch Life Assurance Co. is licensed under federal supervision and in addition to an extensive business throughout western Canada has been operating in Ontario for over a quarter of a century and in Quebec for the past six years.

Business in force at the end of 1932 totalled $56,347,000 of which $47,821,000 was participating business and the remainder non-par, while total assets were $10,693,000 of which over half was invested in first mortgages.

Assets Higher

Assets at the end of 1932 showed an increase from the previous year after the company had written value of securities held down $23,000 below authorized values. General investment reserve is higher by $50,000 at $150,000 while free surplus is slightly lower at $416,000.

New business issued and revived was lower by 18 per cent than the previous year but no figures were supplied by the company as to actual business paid for during the year.

Officers—
W. A. Matheson, chairman of the board; E. J. Tarr, K.C., pres.; W. L. Parrish, vice-pres.; J. A. Macfarlane, gen. mgr.; G. J. Telfer, sec.

Directors—
Representing Shareholders: W. A. Matheson, R. J. Gourley, W. L. Parrish, E. J. Tarr, K.C.; G. H. Stewart, all of Winnipeg.
Representing Policyholders: A. O. Marrin, W. T. Gwyn, D. H. Hudson, Winnipeg.

Classes of Business Written—
Ordinary (participating and non-par. business).

Capital—	
Authorized	$2,000,000
Subscribed	996,600
Paid-up	100,740

Dividends Paid—$1 per annum.

Growth of Business

Year	Assets ($ 000)	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1927	7,081	52,512	7,013
1928	8,045	57,542	8,280
1929	9,001	61,569	7,656
1930	10,070	63,901	6,944
1931	10,373	61,148	6,025
1932	10,692	56,347	....

Great-West Life

Third Largest Canadian Company Transacts Most of Business Within the Dominion — Strong Liquid Position Shown

Although confining its activities to Canada and five states of the Union adjacent to the Canadian border, the Great-West Life Assurance Co., with head office at Winnipeg, ranks third among Canadian companies in amount of business in force. As at December 31, 1932, business in force totalled $580,536,809 of which $18,179,557 was group business and the balance ordinary.

The five states in which the company does business are North Dakota, Minnesota, Michigan and Illinois and Washington. Although the head office of the company is in Winnipeg the company operates in all parts of the Dominion, actually about one half of the business in force being on the lives of residents of Ontario and Quebec.

Business paid for in 1932 totalled $39,183,511, as compared with $50,750,000 recorded in 1931 and a five year average of over $60,000,000. Only $1,113,500 group business is included in the total for 1932.

Analysis of Assets

Analysis of the company's assets shows that bonds and debentures having a dollar value of $43,277,000, make up 34.1 per cent of ledger assets. Mortgages form the largest single group, accounting for 41.8 per cent of ledger assets, city mortgages being valued at $27,628,000 and farm mortgages $19,313,000. Loans on policies totalled $28,817,513 at the end of 1932, or 22.7 per cent of assets.

Total disbursements to policyholders in 1932 amounted to $21,219,000 as compared with $15,494,000 in the previous year. Reserves for policyholders on the basis of statutory requirements amounted to $108,012,000 and, in addition, the company has set aside $3,000,000 as contingency reserve and shows a free surplus over all liabilities, included capital stock, of $2,130,504.

Officers—
G. W. Allan, K.C., pres.; R. T. Riley and Sir D. H. McMillan, K.C.M.G., vice-pres.; C. C. Ferguson, gen. mgr.; E. A. Brock, sec.; F. D. MacCharles, asst. gen. mgr. and actuary; H. W. Manning, asst. gen. mgr.; A. J. D. Morgan, asst. gen. mgr.; C. E. Trimmer, treas.

Directors—
Representing shareholders: G. W. Allan, K.C., R. T. Riley, Sir D. H. McMillan, S. L. Cook, W. H. McWilliams, Col. H. F. Osler, J. A. Richardson, Hon. T. A. Crerar, all of Winnipeg.
Representing policyholders: F. E. Halls, N. J. Breen, M. F. Christie, W. P. Riley, all of Winnipeg.

Field of Operations—
Canada, North Dakota, Minnesota, Michigan, Illinois and Washington, U.S.A.

Classes of Business Written	Paid for, 1932	Total in Force Dec. 31, 1932
Ordinary business:	$	$
Participating	38,070,011	476,453,760
Non-par.		85,903,492
Group	1,113,500	18,179,552
	39,183,511	580,536,809

Capital—	
Authorized	$1,000,000
Subscribed	1,000,000
Paid-up	1,000,000

Dividends Paid—20% per annum.

Growth of Business

Year	Assets $	Business in Force ($ 000	New Ins. Paid for ($ 000)
1912	12,251,982	88,979	*
1917	24,385,666	152,643	29,164
1922	49,198,255	318,607	46,467
1927	94,909,289	502,545	66,418
1931	135,571,241	616,536	50,750
1932	135,738,365	580,537	39,184

*Not available.

Percentage Analysis of Assets

	1932 %	1931 %	1930 %
Bonds:			
Government	6.2	4.7	3.6
Prov. & munic.	17.3	19.8	19.8
Other	10.6	8.2	10.1
	34.1	32.7	33.5
Stocks	.4	.5	3
Mortgages	37.0	39.4	44.0
Real estate	4.8	4.4	2.2
Policy loans	22.7	21.6	19.4
Other ledger assets	1.0	1.4	.5
	100.0	100.0	100.0
Interest earned	5.36	5.77	6.12

Dominion Life

Position Strengthened — Dividend Payments Resumed to Policyholders

With total business in force of $148,000,000, Dominion Life Assurance Co. with head office at Waterloo, ranked twelfth among Canadian companies at the end of 1932.

Founded in 1889 the company operates under a federal charter and carries on business in all parts of Canada, in Jamaica, Newfoundland and the State of Michigan, U. S. A. All but $1,400,000 of its total business is ordinary plan, the remainder being group insurance. New group insurance issued during 1932 totalled $366,500.

Of the total ordinary business in force, $132,248,000 is participating business and the remainder non-par.

Assets Analyzed

Analysis of the company's assets which at the end of 1932 amounted to $25,850,000 reveals that 49 per cent of the total is invested in first mortgages; nearly 18 per cent in industrial and public utility bonds and 17.5 per cent in policy loans. In spite of heavy demands on the part of policyholders during the year the company was able to provide $558,000 for depreciation and loss of securities and in addition to increase free surplus by $218,000. The latter now stands at $578,451.

The company in order to conserve its resources at a difficult period, suspended participating dividends to policyholders for a period of one year. These have now been resumed and the results of this conservative policy are evidenced in part in the strengthening in the company's position as revealed in the company's 1932 statement.

Officers—
F. S. Kumpf, pres. and man. dir.; E. F. Seagram, G. D. Forbes and G. A. Dobbie, vice-presidents; A. N. MacTavish, actuary; J. K. Pickett, sec. and asst. man.; Herb. Schaus, treas.

Directors—
Representing Shareholders: F. S. Kumpf, E. F. Seagram, T. Hilliard, W. L. Hilliard, M.D., C. W. Wells, D.D.S., Waterloo; G. D. Forbes, Hespeler; G. A. Dobbie, Galt; J. H. Gundy, Toronto.
Representing Policyholders: H. M. Snyder, Waterloo; A. J. Andrews, K.C., Winnipeg; C. G. Cockshutt, Brantford; W. H. Malkin, Vancouver.

Field of Operations—
Canada, Newfoundland, Jamaica, B. W. I., State of Michigan, U.S.A.

Capital—	
Authorized	$1,000,000
Subscribed	400,000
Paid-up	200,000

Classes of Business Written:	Issued, Incr. & Rev. 1932	Total in Force Dec. 31, 1932
Ordinary business:	$	$
Participating	15,568,746	132,248,217
Non-par.	5,695,535	14,079,256
Group	366,500	1,394,090

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Issued, Incr. & Rev. ($ 000)
1912	2,873,054	13,936	2,957
1917	4,650,063	22,272	4,974
1922	8,232,250	59,608	13,805
1927	18,890,284	107,364	23,967
1932	25,850,520	147,721	21,631

Percentage Analysis of Invested Assets

	1932 %	1931 %	1930 %
Bonds:			
Government	4.2	4.0	2.1
Municipal	3.3	3.4	3.6
Other	17.7	20.9	25.1
Total bonds	25.2	28.3	30.8
Stocks:			
Preferred	1.4	1.5	1.6
Common	3.3	3.3	3.0
Total stocks	4.7	4.8	4.6
Mortgages	49.1	48.9	48.6
Real estate	3.3	3.0	2.3
Policy loans	17.5	14.9	13.2
Other ledger assets	.2	.1	.5
	100.0	100.0	100.0
Interest earned*	5.81	6.24	6.66

*On mean invested assets.

County Insurance Agents Overcome Lapse Arguments

Demand by certain members of the Lambton county council, that the county carry its own coverage on public liability insurance by means of a sinking fund was overruled at a meeting of the council held recently, despite the fact that, due to a large claim some three years ago, rates for the county are much higher than the average.

Although all county councils have, of necessity, to attempt to cut costs wherever possible, it would appear that public liability insurance is not one of the items to come under the axe. Experience of companies writing a large amount of this type of insurance is that renewals are usually obtained even in the face, in some instances, of considerable opposition.

Canadian Tobacco Shipments Gain

Consignment of Canadian tobacco to Great Britain last year increased by more than seventy per cent over the previous year, according to a review of trade in the United Kingdom by Harrison Watson, Canadian Trade Commissioner in London.

BRITISH NEWCOMER WRITES $3,283,751

Prudential of England Has Business in Force of $5,685,321

Established in London, Eng., approximately 85 years ago, the Prudential Assurance Co., Ltd., of London, Eng., entered the Canadian life field in 1930, and, at the end of 1932, had business in force totalling $5,685,321. All business done in Canada is in the ordinary class but in England the largest volume of business is in industrial insurance. At the end of 1931 the company had nearly $500 million industrial business and $212 million ordinary business in force.

Operations in Canada in the life branch are at present confined to Ontario and Quebec, the company having branches at Quebec, Montreal, Toronto, Hamilton and Windsor. During 1932 the amount of paid for business received by the company was $3,283,751.

Total assets in Canada at Dec. 31, 1932, applicable to the life branch, were $1,168,997. In addition to its life branch the company has been writing fire and casualty business here for a number of years.

Head Office for Canada—Dominion Square Bldg., Montreal.
Joint-Chief Agent in Canada—F. C. Capon, Montreal.
Classes of Business Written—Ordinary, participating and non-participating. Amount outstanding at Dec. 31, 1932, $5,685,321. Paid for in 1932, $3,283,751.

Conventions Planned in Quebec

So far, eight conventions are arranged to take place in Quebec City in May and early June, which will bring well over a thousand delegates to this city. The eight organizations are: the Canadian Fraternal Association; the Dominion Fire Prevention Association; the Association of Canadian Fire Marshals; the Mutual Life Insurance Company of New York; the Canadian Fire Marshals; the Mutual Life Insurance Company of New York; the Catholic Women's League and the Canadian Order of Foresters.

A Liability or an Asset?

YOUR HOME—an asset as long as it *is* a home—for your family must have a place to live; but a *liability* should the time come when there is no income for taxes, upkeep, repairs—and a forced sale would mean a heavy loss.

Life insurance will make sure that your home is an asset to your dependents. Fortify your estate with a Monthly Income Policy.

Established 1887

THE MANUFACTURERS LIFE INSURANCE COMPANY
HEAD OFFICE • TORONTO, CANADA

THROUGH THE YEARS

SINCE the Year 1874, the Independent Order of Foresters, through its System of Fraternity and Protection, has served its members and done much to foster a sense of human brotherhood and common interest. With the fundamental law of practical economy—that he best serves humanity who serves himself and those of his household—is combined the Golden Rule: "Bear ye one another's burdens."

In addition to its system of sound and generous insurance protection, through co-operative effort it has placed at the disposal of its members treatment at the Sanatorium of the Order for those afflicted with Tuberculosis or Cancer. It educates and trains orphan children of members and provides a haven in the Sunset of Life for Aged Foresters and their wives. In many jurisdictions the services of a physician and Surgical Benefits are available to the membership.

The I. O. F. System is carried on through three thousand Subordinate and Companion Courts located in Canada, the United States and the British Isles.

Assets Over $49,000,000.00

THE INDEPENDENT ORDER OF FORESTERS
Frank E. Hand, *Supreme Chief Ranger*
Home Office - - Toronto, Canada

Manufacturers Life

Forty Years of Expansion Has Formed World-wide Organization — Almost Half of Outstanding Business is Still in Canada, However

Manufacturers Life Insurance Co. commenced business in Canada in 1887 and six years later made its first move in the establishment of what now is a world-wide organization by opening a branch in Bermuda. For the past 40 years the company has carried on a vigorous and expanding business in many parts of the world. Of the total business in force at the end of 1932, 49 per cent was in Canada and 40 per cent in foreign countries, while the remaining 11 per cent represented reinsurance received from other companies.

Head office of the company is in Toronto and operations are carried on in seven states of the United States, in Alaska, Newfoundland, Bermuda, most parts of the West Indies and South America, Great Britain, Egypt, India, Ceylon, Malay States, South Africa, Japan and China, and a number of other smaller points.

Over Half Billion Mark

Business in force at Dec. 31, 1932, totalled $526,253,000 included in which is a small amount of group business totalling $6,754,520. Of the remainder, all written on the ordinary plan, $450,602,520 is participating and the balance non-par.

Business written in 1932 amounted to over $62,000,000, while paid for business totalled $57,975,000. This latter total shows a drop of about 16 per cent from the 1931 total and is comparable with a five-year average of about $75,000,000. Group business of $408,985 written during 1932 is included in the paid for total for that year.

Analysis of the company's assets shows that bonds and debentures form the largest item. Of total assets of $117,786,000, more than $47,000,000 is invested in bonds and this classification makes up 42.3 per cent of ledger assets. First mortgages on real estate account for nearly $33,000,000, of which $24,000,000 is placed on city property, total mortgages making up 29.6 per cent of ledger assets. Policy loans have increased from the previous year and now total $23,688,000 or 21.3 per cent of ledger assets.

During 1932, payments to policyholders aggregated $18,000,000, the largest amount distributed in any one year in the company's history, and bringing the total so paid since incorporation to $123,500,000. In addition to statutory reserves for policyholders of approximately $101,000,000, the company has special reserves of $9,132,000, included in which is free surplus of $2,850,000, over and above capital stock.

Capital stock of $1,500,000 paid up is largely held by the Gooderham family, Toronto.

Officers—W. G. Gooderham, pres.; M. Ross Gooderham, K.C., vice-pres. and gen. counsel; J. H. Lithgow, gen. mgr. & actuary; E. S. Macfarlane, sec.; L. A. Winter, treas.; H. C. Cruickshank, med. off.; A. Mackenzie, mgr. of agencies; R. E. Dowsett, asst. sec.; G. L. Holmes, H. J. Stowe, asst. actuaries.

Directors—
Representing Shareholders: W. G. Gooderham, M. R. Gooderham, K.C., G. H. Cassels, K.C., W. Stone, Harvey B. Henwood, Col. A. L. Bishop, all of Toronto.
Representing Policyholders: R. A. Daly, F. G. Osler, D. G. Ross, all of Toronto.

Field of Operations—Canada, state of California, Illinois, Michigan, Ohio, Oregon, Pennsylvania, and Washington; also Alaska, Antigua, Bahamas, Barbados, Bermuda, British Guiana, British Honduras, Burma, Ceylon, China (Treaty Ports), Colombia, Cuba, Curacao, Dominica, Dominican Republic, Dutch Guiana, Egypt, Federated Malay States, Great Britain & Northern Ireland, Grenada, Guatemala, Haiti, Hawaii, Hong Kong, India, Jamaica, Japan, Java, Kwangtung, Newfoundland, Nicaragua, Panama Canal Zone, Philippine Islands, Porto Rico, St. Kitts-Nevis, St. Vincent, Salvador, Siam, South Africa, Straits Settlements, Trinidad, Virgin Islands.

Capital	
Authorized	$3,000,000
Subscribed	1,500,000
Paid-up	1,500,000

Dividends Paid on Capital Stock—10 per cent per annum.

Classes of Business Written—	Paid for, 1932 $	Ttl. in Force Dec. 31, 1932 $
Ordinary Business:		
Participating	57,565,780	450,602,520
Non-par		68,896,081
Group	408,985	6,754,520
Industrial	......	......
	57,974,765	526,253,121

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	16,132,947	73,889	12,195
1917	24,585,927	98,129	13,814
1922	42,084,330	217,422	38,162
1927	76,483,180	402,554	70,820
1932	117,786,626	526,253	57,975

Percentage Analysis of Ledger Assets

	1932 %	1931 %	1930 %
Bonds:			
Government	14.1	12.5	10.4
Municipal	13.1	13.1	12.2
Other	15.1	16.4	17.7
Total bonds	42.3	42.0	40.3
Stocks:			
Preferred	.8	.9	.8
Common	1.3	1.4	1.1
Mortgages	29.6	31.8	35.7
Real Estate	3.0	2.4	2.3
Policy loans	21.3	20.6	18.9
Other assets	1.7	.9	.9
	100.0	100.0	100.0
Interest earned on mean invested assets	5.02	6.22	6.28

INDEP. FORESTERS APPROACH JUBILEE

Founded in 1874, Its Operations Extend to Two Continents

Approaching its sixtieth anniversary the Independent Order of Foresters ranks as the leading fraternal organization in Canada and one of the foremost of its kind in the world. It has over 3,000 subordinate and companion courts in Canada, United States and Great Britain and total insurance membership according to latest figures of over 170,000 of which approximately 115,000 are outside the Dominion of Canada.

No 1932 figures are available as yet but at the end of 1931 the organization's assets totalled $40,000,000. Over half this total is invested in high-grade bonds.

Insurance in force among members of the order totalled at the end of 1931 over $165,000,000 of which $50,000,000 was held in Canada.

The organization had been constantly extending the scope of its operations and has absorbed several smaller societies recently. A feature of the organization's activities in recent years has been the establishment of a home for aged members on the society's property in California.

Insurance Inklings

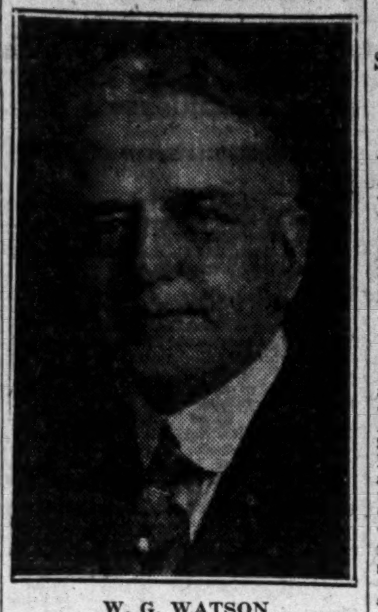
GEORGE C. STEVENSON, formerly manager at Ottawa for the Great-West Life Assurance Co., has been appointed manager at London, Ont.

F. O. CONLON, C.L.U., has been appointed St. John River district supervisor for the London Life Insurance Co.

METROPOLITAN LIFE is making arrangements to transfer its group business in Great Britain to the Legal & General of Great Britain, thus conforming with its practice in other countries. The group business written by the Legal and General for the United States company is immediately re-insured with the Metropolitan. Registration troubles and expenses are thereby avoided.

H. L. TURNER, C.L.U., has been appointed district manager of the Great-West Life Assurance Co. at St. Catharines. Mr. Turner was formerly with the company at Regina.

Heads Mortgage Assn.



W. G. WATSON
General manager of Toronto General Trusts Corp., who has been elected president of the Dominion Mortgage & Investments Association.

AETNA LIFE ASSETS $13,000,000 IN CANADA

Business in Force at End of 1931 Totalled Almost $100,000,000

Commencing business in Canada in 1850, Aetna Life Insurance Co. is the oldest American company operating in the Dominion. Company writes ordinary and group insurance, the business in force in Canada having reached a peak of $105,947,000 in 1929. In both 1930 and 1931 the figures have shown a recession, the 1931 figures showing gross paid for business in force of $92,257.800 as compared with $99,738,986 in 1930. Of the 1931 total, group insurance in force amounted to $35,435,000 and ordinary business $56,822,400. Figures for 1932 are not yet available.

New paid-for business for 1931 totalled $10,245,233, divided as follows: ordinary, $4,018.183; group $902,000 on new policies; group $5,325,000 on old policies. While this total is higher than the average for recent years, it was nearly ten million dollars lower than the high record set in 1929 when new paid-for business totalled nearly $19,500,000.

Assets in Canada at the end of 1931 amounted to $12,949,299, of which $10,500,000 was held on deposit by the Receiver-General in the form of bonds, debentures and debenture stocks for the protection of Canadian policyholders.

The chief agent of the company in Canada is E. J. Christmas, Montreal.

Head Office—Hartford, Conn., U.S.A.
Head Office in Canada—160 St. James St., Montreal.
Classes Written in Canada—Ordinary and group. Par and non-par.

Growth of Business in Canada

Year	Assets ($ 000)	Business in force ($ 000)	New Ins. paid for ($ 000)
1927	10,402	85,243	9,211
1928	10,318	86,312	7,210
1929	11,551	105,947	19,479
1930	12,805	99,739	9,287
1931	12,949	92,258	10,245

Total Assets, December, 1931—$440,054,730.
Total Insurance in Force—$3,780,832,821.
New Paid For Business Issued—$381,438,007.

Quebec Again Seeks to Municipalize Power

From Our Own Correspondent

MONTREAL. — City of Quebec is striving again to obtain the right to municipalize electricity for all purposes. Last year the same demand was rejected as well as a demand of Quebec Power Co. to oblige the city to expropriate and buy its plant if municipalization materialized. This year the utility company has no bill submitted.

Hon. Ernest Lapointe is leading the fight for the city and before a recent meeting of the private bills committee he gave an exclusive survey of power rates, and sought to show that rates charged by Quebec Power Co. were higher than those in other centres.

NEW YORK MUTUAL LEAVES CANADA

Stop Writing New Business in 1932 Owing to N. Y. State Laws

Mutual Life Insurance Co. of New York, oldest life insurance company on the North American continent and which commenced writing business in Canada in 1885 withdrew from Canada in the middle of 1932, after having operated here consistently for 47 years. Restrictions imposed by the insurance laws of New York State under which the company operates, were given as the reason for the withdrawal.

Business of the company in force in Canada at Dec. 31, 1931, the latest available figure, was $81,231,258, all of which was ordinary business. Paid for insurance in 1931 amounted to $5,649,000. Total assets in Canada at Dec. 31, 1931, amounted to $23,918,430, about $15,000,000 of which is held by the Receiver-General as security for Canadian policyholders, and which will be maintained. The company is maintaining an office in Toronto to service Canadian policyholders.

At the end of 1931 the company had a total of nearly $4,500,000,000 of business on its books.

ROYAL IN CANADA OVER EIGHTY YEARS

English Company Has Not Been Aggressive in Life Field

Established in England in 1845, Royal Insurance Co. commenced writing life insurance in Canada in 1851. Its life business has increased but slowly, however, and at the end of 1932 the company had only $24,958,409 of business on its books in Canada.

In 1932, new paid for business placed by the company amounted to $1,608,000, about the average of the past six or seven years. Total assets in Canada at December 31, 1932, amounted to $7,410,000 compared with $7,640,000 at the close of the previous year.

Assets at the end of 1931—the latest date for which a complete break-up is available—show that $5,483,000 is deposited with the Receiver General in the form of bonds and debentures as protection for Canadian policyholders.

Head Office—Liverpool, Eng.
Head Office in Canada—Montreal.
Chief Agent in Canada—J. H. Labelle, Montreal.

Classes of Business Written: (In Canada)	Paid for, 1932 $	Total in Force Dec. 31, 1932 $
Ordinary business	1,607,617	24,958,409
Participating	879,760	17,265,613
Non-par.	727,857	7,692,796

Growth of Business

Year	Assets $	Business in Force ($ 000)	(In Canada) New Ins. Paid for ($ 000)
1912	3,330,000*	6,234	1,585
1917	1,529,000	7,949	674
1922	3,603,000	20,782	3,819
1927	5,179,000	25,217	1,732
1931	7,639,689	25,967	1,873
1932	7,410,000	24,958	1,608

*Life and fire combined.

UNION MUTUAL HAS SMALL STAKE HERE

Canadian Business Totals $6,940,000 — All Ordinary Participating

Union Mutual Life Insurance Co., whose head office is at Portland, Maine, commenced business in Canada in 1868. Ordinary insurance only is written and, with the exception of $1,000, this is all on a participating basis.

Gross business in force in Canada at the end of 1932 was $6,940,000, as compared with $7,612,000 recorded at the close of 1931. New paid for insurance issued in Canada during 1932 amounted to $329,500, compared with $386,650 in 1931. The annual business of the company has been falling off for a number of years.

Total insurance in force in both United States and Canada amounted to $71,651,600 at the end of 1932 and business paid for during 1932 totalled $3,703,430.

Assets in Canada totalled $2,835,700 at December 31, 1932. Over $2,000,000 is lodged with the Receiver General in the form of bonds, debentures and stocks for the sole purpose of protection of Canadian policyholders.

Head Office—Portland, Maine.
Chief Agent in Canada—Henri E. Morin, Montreal.
Actuary—Fred A. Hamblin.
Classes of Business Written (In Canada): Ordinary business, participating and non-par.

Growth of Business

Year	Assets $	Business in Force $	(In Canada) New Ins. Paid for $
1912	1,842,067	7,812,000	703,500
1917	2,243,500	7,997,000	704,000
1922	2,487,500	8,800,000	627,500
1927	2,628,484	8,614,000	580,500
1931	2,767,508	7,612,000	386,650
1932	2,835,700	6,940,000	329,500

Total assets	$21,693,766
Total bus. in force, Dec. 31, 1932	71,651,600
Total new insur. paid for, 1932	3,703,430

INTEREST RATE QUIZ BARREN OF RESULT

While Probe of Milk Prices Also Promises to Fall Flat

From Our Own Correspondent

OTTAWA.—Unless there is an unexpected change in the situation at the capital it is most unlikely that any sensational developments will result from the two investigations now being prosecuted by House of Commons committees.

The Banking and Commerce committee has been edging warily around the problem of interest rates but, without assistance from the committee, the banks and the trust companies seem to have come to a decision with respect to interest payments to depositors. And the larger field of mortgage interest is clearly outside the jurisdiction of any committee of Parliament. The committee might make an enquiry into mortgage interest rates, but the power to bring about reductions or to control commercial transactions between individuals or companies and individuals is conceded to lie, exclusively, with the provinces.

This committee is facing this difficulty by getting out a questionnaire which will be sent to the Federal law officers of the crown and to the various attorney generals. The questionnaire will probably not be answered until long after Parliament prorogues.

The agricultural committee enquiry into milk prices is also proving somewhat ineffective. So far the evidence has related almost exclusively to Montreal and a wide spread between what the producer receives and the consumer pays has been established. The producers, however, seem very chary of attending the committee and giving evidence, with the result that the enquiry is threatened with stalemate.

Develop High Grade Plywood

The British Columbia Veneer Works Limited at Nelson have developed a high grade waterproof birch plywood which has been approved by the Department of National Defence at Ottawa as suitable for airplane manufacture. Another new departure at this plant is the manufacture of larch plywood which is now reported to be beyond the experimental stage.

Insurance Problems

Insurance questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

Sovereign Life

I would like some information regarding Soverign Life stock as to whether it is a suitable security for purchase at the present time.

Sovereign Life stock according to latest information is quoted by unlisted dealers at $14.50 per share. Dividend payments are currently on the basis of $1.25 annually, the last dividend being paid in December, 1932.

The company is a well-established institution with head office at Winnipeg which has been doing business in Canada since 1903. It has a small but steadily growing volume of business in force and according to its latest statement shows a good surplus over and above capital stock. The high point for its shares according to our records was 70 in 1929.

Canadian Hardware

I am considering placing a policy on my household effects with the Canadian Hardware & Implement Underwriters.

What is the record of this company and can it be relied on to pay claims promptly?

Canadian Hardware & Implement Underwriters through its three component firms the Hardware Dealers Mutual; the Minnesota Implement Mutual and the Retail Hardware Mutual, has been doing business in Canada since 1920 under a federal license and has a good record in this country underwriting, claims payment, and so forth.

As a group it ranks third among mutual companies doing business in Canada on the basis of premium income, the amount of net premiums written in 1931 (latest figures available) being approximately $817,000.

Its business as you probably know is confined entirely to special types of mercantile risks such as hardware and other retail stores.

Occidental Life In Fifth Year Here

Occidental Life Insurance Co. of Los Angeles, California, operates in Canada under a Dominion license, having commenced business here in 1928. At the end of 1931, which is the last year for which complete figures are available, the company had assets in Canada totalling $680,666 of which $632,838 is on deposit in the form of bonds, debentures and debenture stocks with the receiver-general for the protection of shareholders.

Total insurance in force at December 31, 1931, was $9,132,943, all but about two million dollars being written on a participating basis. New insurance paid for in that year amounted to $840,200.

Company's chief agent in Canada is J. A. Ovas, Winnipeg, Man.

EMPIRE LIFE CO. CHANGES OFFICERS

Call on Shareholders Improves Company's Position at Year End

Important changes in management and some improvement in financial position is shown in the annual report of the Empire Life Insurance Co. for 1932.

During 1932 the company made a 10 per cent call on shareholders and according to figures submitted to the company's annual meeting this month, a total of $262,000 was collected. As a result surplus to policyholders has increased from $252,000 to $488,000 while a capital impairment amounting to $241,000 at the end of 1931 has been reduced to $135,000. This was achieved in part by reason of the fact that shares of those who failed to respond to the call on capital stock, were forfeited. Approximately 5,600 shares suffered this fate.

Assets of the company now stand at $2,354,000 of which $778,000 is represented by common stocks and $626,000 by bonds and debentures. Insurance in force at the end of 1931 totalled $17,045,000. New business issued and revived during the year amounted to $2,547,000.

New Officials Announced

Changes in the company's management announced last week in The Financial Post include the appointment of C. P. Fell as president of the company in succession to John Hallam who was appointed to that office a year ago. L. T. Boyd, former actuary of the company becomes the new general manager. He succeeds M. P. Langstaff who had been managing director of the company since its inception in 1923. The company operates under an Ontario charter and has 28 branch offices located in seven provinces. A large proportion of the company's business however is outstanding in Ontario. Its head office is at Toronto.

Officers—C. P. Fell, pres.; B. R. McKenzie, vice-pres.; A. H. Keith Russell, vice-pres.; L. T. Boyd, general manager; J. Ross Paterson, sec.-treas.; H. C. Parsons, medical referee.

Directors—C. P. Fell, B. R. McKenzie, A. H. Keith Russell, John Hallam, A. H. Vanderburgh, J. M. Vaughan, A. J. Walker and Geo. M. Orr.

Capital—	
Authorized	$5,000,000
Subscribed	2,607,500
Paid-up	623,360

Growth of Business

	Assets	Business in Force	Issued & Revived
1927	$ 442,054	$6,282,179	$2,477,293
1932	2,353,794	17,044,918	2,546,902

National Trust Reduces Dividend Rate to 10 p.c.

The annual dividend rate on the common stock of National Trust Co. has been reduced from 12 per cent to 10 per cent per year with a declaration of a quarterly dividend of $2.50 per share payable April 1 to shareholders of record March 21.

The company has paid dividends regularly since 1899, the rate being increased every few years until 1921 when 12 per cent was paid. In 1927 and 1928 the company paid a bonus of 1 per cent and in 1929 of 2 per cent raising the dividend to 14 per cent in 1930 and this rate was continued in 1931. In 1932, the company paid 12½ per cent in dividends.

New Canneries in West

The market opening up in Great Britain for Canadian canned vegetables has led to the opening up of a number of small canneries in the western provinces, it is noted by the Western Canada News Bulletin.

Woodmen of World In Fortieth Year

Organized in 1893, the Canadian Woodmen of the World, with head office in London, Ont., had four and three-quarter million dollars of life insurance in force at Dec. 31, 1931, divided into 4,710 policies. The company does business throughout Canada, and in addition to life insurance has many types of accident and sickness policies.

New business paid for in 1931 amounted to $596,250 in 523 policies. Premiums received from members during the year amounted to approximately $100,000.

Total assets of the life branch at Dec. 31, 1931, amounted to $1,916,108, of which $1,454,000 was invested in bonds and debentures and $336,000 in mortgage loans. Statutory reserves totalled $1,289,319 and, in addition, there was a special reserve of $125,000.

Clair Jarvis, of London, Ont., who is Head Consul Commander, is also secretary-treasurer of the Canadian Fraternal Association.

FIRE · MARINE · AUTOMOBILE · ACCIDENT · SICKNESS · BURGLARY · GUARANTEE
BRITISH AMERICA ASSURANCE COMPANY
ESTABLISHED A.D. 1833

Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia
FIRE AUTOMOBILE WINDSTORM
Insurance in force over $250,000,000.00
Total Assets over 3,000,000.00
Agents required in Ontario
Write Eastern Branch, 2 Toronto St., Toronto, Ont.
THE WAWANESA MUTUAL INSURANCE CO.
Head Office—Wawanesa, Man.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE WASHINGTON
HEAD OFFICE FOR CANADA
HAMILTON ONTARIO
BRANCH OFFICES: Toronto, Ottawa, Vancouver, Victoria, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, Quebec City, St. John, Halifax
WRITING FIRE AND AUTOMOBILE INSURANCE AT COST. ASSETS $4,616,849.70
ALL POLICIES NON-ASSESSABLE, PAYING DIVIDENDS RANGING FROM 20% TO 30%

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PORTAGE policies measure up to all the tests of sound insurance ... adequate indemnity, supported by ample resources and the solid assurance of quick settlement in case of claim.
Reinsurance effected through Lloyds of London, England.
A deposit is maintained with the Federal Government.
Operating under Dominion License.
The PORTAGE LA PRAIRIE Mutual Insurance Company
Portage la Prairie, Man.
Est. 1884
Fire - Automobile - Burglary - Windstorm - Plate Glass - Sprinkler Leakage
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The Financial Post Business Year Book, new 1933 edition, is ready for distribution.

One of the big new features of this volume is a special

Survey of Retail Merchandising in 65 Cities of Canada

This survey includes retail sales in 65 cities; merchandise sales by groups; independent vs. chain sales; number of retail outlets in 63 cities. The information in this survey will be very valuable to manufacturers and distributors, as well as to business men generally.

The Financial Post Business Year Book cover nearly all phases of Canadian business — markets, industry, prices, agriculture, taxation, trade, transportation, highways, tourist trade, labor and wages, power, fisheries, mining, banking, finance, insurance, etc. etc.

The Business Year Book is a ready-reference on Canadian business. New charts and tables illustrate the text and the index makes information immediately accessible. It is planned for busy executives. You can make use of it daily.

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THE METROPOLITAN LIFE
IN CANADA SINCE 1872

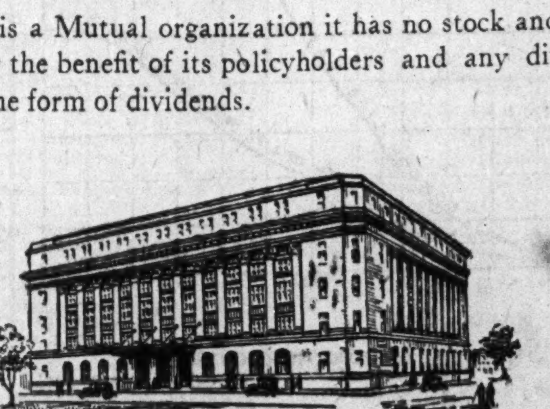
THE Metropolitan Life is closely bound up with the financial, social and economic life of the Dominion through its insurance contacts with more than one sixth of the entire population through its health campaigns promoting healthier and happier lives; through its large investments in Canadian enterprise; and through its economic service to Canadian business in research, in management and industrial problems.

All premiums collected in Canada by the Metropolitan are invested in Canada or repaid in claims and other payments to Canadians. The total amount that the Metropolitan Life has paid to Canadians since it entered Canada, plus the amount now invested in Canada, exceeds the total premiums received from Canadians by over $110,000,000.

Metropolitan investments in Canada at the end of 1932 totalled $241,509,393 which is an increase during 1932 of over ten million dollars. These are chiefly government bonds and first mortgages on real estate and are divided as follows — Bonds of the Dominion government $46,646,458; Bonds of provincial or municipal governments or guaranteed by them $112,175,423; and other investments of $82,687,510 which includes public utility bonds, first mortgages and loans to policyholders.

The business of the company in Canada reflects a high measure of public confidence as at the end of 1932 Metropolitan had 2,761,136 life insurance policies in force for over a billion dollars.

As the Metropolitan is a Mutual organization it has no stock and no stockholders. Its assets are held for the benefit of its policyholders and any divisible surplus is returned to them in the form of dividends.



METROPOLITAN LIFE INSURANCE CO.
CANADIAN HEAD OFFICE
OTTAWA

FREDERICK H. ECKER, President
HARRY D. WRIGHT, Third Vice-President and Manager for Canada
LEROY A. LINCOLN, Vice-President and General Counsel

Crown Life

Paid-for Business in 1932 Higher Than in Previous Year

Crown Life Insurance Co., with head office at Toronto, is among the leading life insurance companies doing business in Canada. The company has been in operation since 1901 and more recently has extended its field of operations to two states of the United States, Porto Rico, Bermuda, Newfoundland, West Indies, Colombia and Egypt.

Business in force of $137,180,619 places the company in eleventh position among Canadian companies in this regard. Only half a million dollars of group business is included in the above total, the balance being ordinary business, of which $109,000,000 is participating.

Business paid for in 1932 totalled $19,615,188, an increase of nearly $800,000 over the 1931 total and compared with a five year average of approximately $22,500,000. Only $157,270 group business was written during the year.

Analysis of Assets

Analysis of the company's assets shows that mortgages make up the largest individual total with $7,469,000, or 44.4 per cent of ledger assets. Bonds and debentures rank next with $4,701,300, or 28 per cent of ledger assets while loans on company's policies amount to $3,462,000, or 20.6 per cent.

During 1932 the company paid out to policyholders and beneficiaries in the form of death payments, matured endowments, cash surrender values and dividends, the sum of $2,494,000. After setting up policyholder reserves of $16,474,651, according to government standards and meeting all other liabilities, the company showed surplus of $762,484 over and above capital stock of $229,697. Of this surplus, $383,025 is listed as unallotted surplus.

Officers—
Sir R. L. Borden, pres.; C. W. Somers, vice-pres.; J. S. Stevens, sec.; H. R. Stephenson, gen. mgr.; F. W. Hill, actuary; R. T. Couch, treas.

Directors—
Representing Shareholders: C. W. Somers, H. R. Stephenson, H. D. Burns, Toronto; G. A. Morson, Havana; G. O. Somers, Pasadena, Calif.
Representing Policyholders: Sir R. L. Borden, Ottawa; F. E. Brown, W. R. Morson, G. E. Spragge and W. F. Watkins, Toronto; Grant Hall, Montreal; F. R. McD. Russell, Vancouver.

Field of Operations—
Canada, Michigan, Washington, Porto Rico, Bermuda, Newfoundland, Cuba, Dominican Republic, Maiti, Jamaica, Egypt.

Classes of Business Written:	Issued, 1932	Total in Force Dec. 31, 1932
Ordinary business:	$	$
Participating ...	13,170,314	109,354,496
Non-par.	9,673,275	27,290,143
Group	157,270	535,980
	23,000,959	137,180,619

Capital—

Authorized	$1,000,000
Subscribed	552,500
Paid-up	229,697

Dividends Paid—6% per annum.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	1,233,901	10,016	3,292
1917	2,248,896	15,374	3,646
1922	4,789,563	34,460	7,551
1927	10,383,194	87,877	22,547
1931	16,654,000	136,684	18,826
1932	17,892,631	137,181	19,615

By-product From Halibut

Halibut fishermen in British Columbia have an added $150,000 value placed on this season's catch through the sale of halibut livers for refining purposes. It is expected that one million pounds of livers will be disposed of this season to Parke, Davis & Co. at Walkerville, Ontario.

Canada Life

Oldest Canadian Life Insurance Company Has Nearly $1,000,000,000 of Business in Force — Was Pioneer in Group Insurance Field

Canada Life Assurance Co. is the oldest life insurance company in Canada and the second largest with head office in the Dominion. The head office of the company is in Toronto and operations are carried on in all parts of Canada, Great Britain, Northern Ireland, Irish Free State, 14 states in the U. S. A., Newfoundland, Bahamas, Bermuda, Jamaica and Hawaii.

The romance of early Canada is seen in the formation of the company. Hugh Baker, the founder, conceived the idea of starting a Canadian life insurance company after he had been forced to make a long and tedious journey to New York in order to place insurance on his own life.

At the end of both 1930 and 1931 the business of the company topped the billion dollar mark but at the close of 1932 it had fallen to $926,389,982. New insurance paid for reached a peak in 1927 with a total of $146,500,000. New insurance paid for in 1932 totalled $80,535,802 as compared with $87,726,000 in 1931. Both ordinary and group business are written, $65,000,000 of the former and $20,000.000 of the latter being issued in 1932.

Pioneer of Group

The company is one of the pioneers in group insurance, having written its first policy in 1920. At the end of 1932, the company had nearly $100,000,000 of this business on its books.

Analysis of the company's assets show that for many years past the company has invested the bulk of its funds in government, municipal and public utility bonds and loans on real estate. The percentage of ledger assets invested in bonds and debentures has been increasing during the past few years, 43.2 per cent of all assets in 1932 being invested in this medium and compared with nearly 40 per cent in 1931 and 36.5 per cent in 1930. Mortgages on real estate account for 28 per cent of assets in 1932, this classification showing a decrease from the two previous years when these figures were 30.5 per cent and 34.4 per cent.

Total assets at December 31, 1932, amounted to $216,886,246, $89,377,000 being invested in bonds and $57,855,000 in mortgages on real estate. One significant feature of the analysis of assets is that the percentage of total assets loaned on policies decreased in 1932 from the previous year, comparative figures being 18.29 in 1932 and 18.5 in 1931.

Loaning Organization

A large organization having offices in Montreal, Toronto, Winnipeg, Regina, Saskatoon, Edmonton, Calgary, and Vancouver has been built up to loan on city and farm property. In the case of agricultural loans all selections and inspection is made by company officials.

In regard to U. S. A. business, Canada Life purchases U. S. A. securities with the premium income from that country and maintains with trustees in the U. S. A. the required legal reserve for the security of policyholders in that country. Securities purchased in the United States meet the requirements of the States of New York where the company carries on business.

During 1932, the total of $29,252,911 was paid to policyholders and beneficiaries in settlement of death claims, matured endowments, dividends, annuities, and cash values for surrender policies. Of this amount, $20,230,668 was paid to living policyholders.

In addition to a reserve for policyholders amounting to nearly $195,000,000, compiled on an actuarial basis considerably stricter than that required by federal insurance law, the company has a contingency reserve of $2,000,000 and a surplus over all liabilities and capital stock of $6,237,758.

Officers—
Leighton McCarthy, K.C., pres.; H. C. Cox, chm. of the board; E. R. Wood, vice-pres.; A. N. Mitchell, gen. mgr.; W. A. P. Wood, asst. gen. mgr. and actuary; A. G. Ramsay, asst. gen. mgr. and gen. supt.; W. Hastie, asst. gen. mgr. and treas.; L. K. File, assoc. actuary; J. H. Domelle, sec.; H. C. Scadding, med. dir.; R. G. McDonald and S. C. McEvenue, supts.; R. E. Woodcock and E. C. Gill, asst. treas.; J. D. Williamson and J. G. Beatty, asst. actuaries; S. J. Streight and J. A. Roberts, asst. med. directors; H. N. Watts and R. J. Trenouth, asst. supts.; A. G. Dalrymple, W. J. Sheppard and F. W. White, asst. secs.

Directors—
Representing Shareholders: Leighton McCarthy, K.C., H. C. Cox, E. R. Wood, C. A. Bogert, R. A. Laidlaw, J. A. McLeod, A. N. Mitchell, W. N. Tilley, K.C., all of Toronto; A. V. Davis, Pittsburgh; J. Stuart, Chicago.
Representing Policyholders: A. E. Ames, W. E. Rundle, Rt. Hon. Sir T. White, Toronto; Aime Geoffrion, K.C., Montreal; Hon. C. Stewart, Ottawa.

Field of Operations—
Canada, Great Britain and Northern Ireland, the Irish Free State, 14 states of the U.S.A., Newfoundland, Bahamas, Bermuda, Jamaica and Hawaii. In the United States 14 branches are maintained, covering the following states: Alabama, California, Florida, Illinois, Maine, Michigan, Minnesota, New Hampshire, New York, Ohio, Oregon, Pennsylvania, Texas and Washington.
Texas and Washington.

Capital—	
Authorized	$1,000,000
Subscribed	1,000,000
Paid-up	1,000,000

Dividends Paid on Capital Stock—
20% per annum. 1932, 5% cash bonus.

Classes of Business Written:	Issued, 1932	Total in Force Dec. 31, 1932
Ordinary business:	$	$
Participating ...	58,068,361	797,537,041
Non-par.	7,329,276	32,499,159
Group	23,152,936	96,353,782

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912 ...	48,301,523	144,878	15,512
1917 ...	62,580,337	183,017	21,369
1922 ...	86,654,498	360,981	64,521
1927 ...	140,580,678	769,982	146,492
1931 ...	204,776,019	1,029,759	87,726
1932 ...	216,886,246	926,390	80,536

Percentage Analysis of Invested Assets

	1931 %	1931 %	1930 %
Bonds and debentures.	43.18	39.71	36.50
Stocks	4.06	5.67	6.19
Loans on real estate ..	27.95	30.50	34.37
Real est., includ. co's. bldgs. in Toronto, Montreal, Ottawa, Regina, Calgary and London, Eng.	5.09	5.22	4.63
Cash	1.43	.39	.35
Loans on policies	18.29	18.51	17.96
	100.00	100.00	100.00
Interest earned*	5.34	5.80	5.94

*On mean invested assets.

Quebec Farmers Mutual Placed in Liquidation

From Our Own Correspondent

MONTREAL. — Quebec Farmers' Mutual Fire Insurance Co. has been in liquidation by a Superior Court judgment following a petition of Israel Charette, a creditor. Meeting of creditors has not yet been fixed.

It is understood a settlement will be offered by the company to creditors and that a reorganization is in view. Should the settlement be satis factory to the creditors, liquidation proceedings will be cancelled it is reported.

New York Life

Assets in Canada Higher — New Business $8,966,000

For the second consecutive year business in force of the New York Life Insurance Co. in Canada showed a decline at Dec. 31, 1932, the total being $185,382,154 compared with $194,494,000 at Dec. 31, 1931, and a peak of $198,506,000 at the close of 1930.

New York Life Insurance Co. commenced business in Canada in 1868 and has shown consistent progress in this field since that time despite the slight regression of the past two years. All business in Canada is written on the ordinary plan and 95 per cent of the outstanding business is participating.

New paid for insurance in Canada in 1932 declined somewhat from the 1931 total, the comparative figures being $8,966,201 and $11,039,000. The peak year for paid-for business was 1927 when over $20,000,000 was the total, this figure being maintained in 1928 and 1929.

Total assets in Canada at Dec. 31, 1932, amounted to $50,083,000. Distribution of the $48,529,243 recorded as assets in Canada at the end of 1931 was as follows: bonds and debentures $28,179,925 ($23,408,098 held by Receiver General); mortgage loans $7,986,157; loans to policyholders $9,975,146; real estate $640,000; interest accrued and other non-ledger assets $1,401,893.

Some idea of the magnitude of the company's operations on this continent is indicated by the fact that total assets at the end of 1932 were almost at the $2,000,000,000 mark while total business in force was over $7,300,000,000.

P. V. Raven, Montreal, is chief agent for the company in Canada.

Head Office—51 Madison Ave., New York, N.Y.
Head Office in Canada — Montreal Trust Bldg., Montreal.
Chief Agent in Canada—P. V. Raven, Montreal.

Classes of Business Written: (In Canada)	Paid for, 1932*	Total in Force Dec. 31, 1932
Ordinary business	$	$
Participating	8,966,201	175,868,654
Non-par.	....	9,513,500

Growth of Business

Year	Assets $	Business in Force ($ 000)	(In Canada) New Ins. Paid for* ($ 000)
1912	13,593,281	59,119	9,217
1917	18,514,045	79,228	10,877
1917	18,514,045	79,228	10,877
1927	34,114,255	172,043	20,342
1931	48,529,000	194,494	11,039
1932	50,082,617	185,382	8,966

Total assets	$1,974,497,500
Total bus. in force. Dec. 31, 1932	7,341,993,000
Total new ins. paid for, 1932	524,922,958

*Includes bonus additions.

Sovereign Life

Business in Force in 1932 Totals $26,000,000 — Assets Lower

Sovereign Life Assurance Co. with head office at Winnipeg is licensed under Dominion charter and operates in Ontario, Quebec, Manitoba, Saskatchewan, Alberta and British Columbia. The company was incorporated in 1902, the first head office being in Toronto. In 1912 the head office was removed from Toronto to Winnipeg and the company expanded rapidly in the West. For some time past it has not been active in the Maritimes, and was only licensed to operate in Quebec as from January 1, 1931.

Business in force at December 31, 1932, totalled $26,024,850 over $21,500,000 of which is participating ordinary business and the balance non-participating ordinary business. New insurance paid for in 1932 totalled $2,916,000 which compares with $2,290,000 in 1931. Despite this increase in business paid for, insurance in force has declined slightly from the $27,215,000 recorded at the close of 1931.

Total assets at the end of 1932 amounted to almost $6,000,000, some $250,000 less than at the close of 1931. Bonds and debentures totalling $1,490,000 make up over 27 per cent of ledger assets, first mortgages of $2,447,000 amount to nearly 45 per cent of assets and policy loans of $1,245,294 are approximately 23 per cent of assets. The company has only a small investment of $190,000 in common and preferred stocks.

Payments to policyholders and beneficiaries during 1932 amounted to $739,401 as compared with $567,219 in 1931 and $391,516 in 1930. Since incorporation the company has paid out over $4,937,000 to policyholders and beneficiaries. Death claims in 1932 amounted to only $75,132, or only 26 per cent of tabular expectations.

Officers—
H. J. Meiklejohn, M.D., pres. and man. dir.; W. H. Carter and E. E. Sharpe, KC., vice-pres.; M. D. Grant, F.I.A., asst. mgr. and actuary; Ernest Atkins, sec.; J. J. Douglas, treas; J. Turnbull, F.A.S., assoc. actuary; H. M. Meiklejohn, supt. of agencies; Hon. E. W. Montgomery, M.D., medical dir.

Directors—
Representing Shareholders: H. J. Meiklejohn, W. H. Carter, W. F. Hull, K.C., J. L. Bathgate, John Martin, all of Winnipeg; R. G. Macdonald, Brandon.
Representing Policyholders: E. E. Sharpe, K.C., W. Sanford Evans, M.L.A., William Whyte, all of Winnipeg.

Field of Operations—
Ontario, Quebec, Manitoba, Saskatchewan, Alberta, British Columbia and New Brunswick.

Capital—	
Authorized	$1,000,000
Subscribed	840,600
Paid-up	209,995

Dividends Paid on Capital Stock—
$1.25 per annum.

Classes of Business Written:	Issued, 1932	Total in Force Dec. 31, 1932
Ordinary business:	$	$
Participating	3,119,570	21,568,532
Non-par.	967,516	4,456,318
	4,087,086	26,024,850

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	954,739	3,850	831
1917	1,578,841	7,627	1,780
1922	2,474,693	16,485	2,621
1927	4,235,835	28,571	2,985
1931	6,250,371	27,215	2,290
1932	5,978,885	26,025	2,916

Percentage Analysis of Invested Assets

	1932 %	1931 %	1930 %
Bonds:			
Government	6.8	3.9	4.1
Municipal	10.3	9.8	10.6
School	3.0	3.0	2.6
Telephone	2.4	2.5	2.8
Corporation	4.8	8.4	9.6
Total bonds	27.3	27.6	29.7
Stocks:			
Preferred	.6	1.6	1.6
Common	1.5	1.8	1.0
Total stocks	2.1	3.4	2.6
Mortgages	44.7	44.3	45.6
Policy loans	22.8	21.7	18.9
Real estate	3.0	2.9	3.1
Other assets	.1	.1	.1
Total assets	100.0	100.0	100.0
Int. earned†	5.18	6.08	6.85

†On mean invested assets.

Confederation Life

Business in Force Now Totals $374,000,000, of Which One-third is Outside Canada — Company Ranks Sixth Among Canadian Institutions

Confederation Life Association, incorporated in October, 1871, now ranks among the first ten companies in Canada from the point of view of business in force. In point of view of total assets the company ranks sixth among Canadian life insurance companies and seventh in business in force.

In addition to operating throughout Canada, the company does business in Great Britain, Newfoundland, New York State, Mexico, various parts of the British West Indies and Central America, and in China. As at December 31, 1932, business in force totalled $374,071,320 of which approximately $130,000,000 was outside Canada. Business paid for in 1932 totalled $43,464,515, of which $1,568,714 was group insurance and the balance ordinary business. This paid for business in 1932 is only slightly less than the total paid for in the previous year which amounted to $45,674,000.

Analysis of Assets

Analysis of the company's investments shows that at the end of 1932, 52.7 per cent of the assets was invested in bonds, which were valued in the company's balance sheet at $45,984,437. First mortgages on real estate, valued at $14,375,194 in the balance sheet make up 16.4 per cent of the company's assets, while policy loans account for 21.8 per cent of assets, or $90,051,621.

Payment to policyholders in 1932 amounted to $12,517,960 as compared with $10,000,000 in 1931, the 1932 total bringing the amount paid since the company's inception to $107,098,000. In addition to the statutory policyholder reserve of $79,528,164 the company reported over $8,170,000 of surplus funds at the end of 1932 included in which is the contingent reserve of $1,000,000.

Officers—
C. S. Macdonald, pres.; R. S. Waldie and Col. J. F. Michie, vice-pres.; V. R. Smith, gen. mgr. and actuary; C. D. Devlin, gen. supt. of agencies; C. R. Dent, sec.; J. H. Birkenshaw, assoc. actuary.

Directors—
Representing shareholders: C. S. Macdonald, John Firstbrook, J. E. Ganong, B. B. Cronyn, W. C. Laidlaw, C. P. Smith, all of Toronto; P. A. Thomson, Montreal.
Representing policyholders: R. S. Waldie, Col. J. F. Michie, W. L. Matthews, A. F. White, all of Toronto.

Field of Operations—
Canada, U. K. of Great Britain, Newfoundland, New York State, Mexico, Cuba, Curacao, Grenada, Jamaica, Santo Domingo, Trinidad, British Honduras, Guatemala, Honduras, Nicaragua, San Salvador and China.

Capital—	
Authorized	$1,000,000
Subscribed	1,000,000
Paid-up	200,000

Dividends Paid on Capital Stock—$4 per annum.

Classes of Business Written:	Paid for, 1932	Total in Force Dec. 31, 1932
Ordinary business:	$	$
Participating ...	24,842,949	294,924,337
Non-par.	17,052,852	55,053,972
Group	1,568,714	24,093,011
Total	43,464,515	374,071,320

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	17,265,975	63,764	12,248
1917	22,329,534	82,274	15,038
1922	33,535,923	154,813	26,688
1927	57,435,782	258,466	50,872
1931	88,490,249	381,085	45,674
1932	92,232,305	374,071	43,465

Percentage Analysis of Invested Assets

	1932 %	1931 %	1930 %
Bonds:			
Government	15.6	16.94	16.70
Municipal	18.8	15.42	15.29
Other	18.3	19.64	19.83
Total bonds	52.7	52.00	51.82
Stocks:			
Preferred	1.5	1.79	1.98
Common	2.2	2.49	2.63
Mortgages	16.4	17.72	18.64
Real estate	4.3	4.22	4.43
Policy loans	21.8	21.26	20.06
Other assets	1.1	.52	.44
	100.0	100.00	100.00
Rate of int. earned ...	5.33	5.63	5.84

North American Life

Second Year as Mutual Company Sees Gain in Business in Force — Paid-for in 1932 Equals 1930 Record

Definite progress in its second year as a mutual company was shown by the North American Life Assurance Co. in 1932. Although business paid for fell somewhat from the previous year in line with the general trend, it was maintained at almost exactly the same level as in 1930, amounting to $18,282,000 compared with $18,290,000 in 1930. Business in force increased over 1931, the 1932 total $47,298,633 compared with $46,855,113 in the previous year.

During the year the company moved into its new 7-story head office building in Toronto. In addition to operating in all parts of Canada and Newfoundland, the company does business in Bermuda, Bahamas, British West Indies, the Yukon, and in the states of Illinois, Michigan and Washington, U. S. A. Total business in force outside of Canada amounts to approximately $12,000,000.

Incorporated as Mutual

Originally incorporated in 1879 as The North American Mutual Life Insurance Co., the "Mutual" was taken from the name before any business was done and it was not until 1931 that the original intention of the founders was carried out.

Analysis of the company's investment shows 41 per cent of total ledger assets to be invested in government, municipal and industrial bonds and 9.3 per cent in stocks, practically all of which are preferred or bank, loan and trust company common stocks. Ledger value of these two groups at the end of 1932 totalled $22,750,000. Mortgages held by the company make up 27.9 per cent of ledger assets and amounted to $12,471,608 at Dec. 31, 1932, compared with $13,000,000 at the end of the previous year.

During 1932, the company paid $5,834,891 to policyholders and beneficiaries, an increase of 18 per cent over the $4,930,000 paid out in 1931, and making a total of $64,129,000 paid out since incorporation. In addition to statuary reserves for policyholders of almost $38,000,000, the company had at the end of 1932 an investment reserve of $1,100,000 and a surplus fund of $6,000,000, this latter figure being a reduction of nearly $1,000,000 from 1931.

Officers—
Thomas Bradshaw, pres.; C. W. I. Woodland, Frank A. Rolph, A. J. Mitchell, vice-pres.; D. E. Kilgour, gen. mgr.; E. J. Harvey, supt. of agencies; W. G. Gallow, sec.; A. F. Hall, actuary; J. A. McCamus and E. H. Hanley, supervisors of agencies; W. M. Anderson, supervisor of field service; T. M. Sargant, agy. aud.; J. F. Wells, asst. treas.; W. J. Burgar and C. P. Milne, asst. secs.; George Ryrie, asst. act.; T. D. Archibald, M.D., med. dir.; J. G. Falconer, MD., asst. med. dir.

Directors—
Thomas Bradshaw, C. W. I. Woodland, C. L. Burton, F. S. Corrigan, Hon. G. S. Henry, A. C. McMaster, K.C., A J Mitchell, F. A. Rolph, D. E. Kilgour, W. B. Taylor, Toronto; G. H. A. Montgomery, K.C., Montreal; Hon. L. A. Taschereau, Quebec, P.Q.

Field of Operations—
Canada, Newfoundland, Bermuda, Bahamas, British West Indies, the states of Illinois, Michigan and Washington, U.S.A., and in the Yukon.

Classes of Business Written:	Paid for, 1932	Total in Force Dec. 31, 1932
Ordinary business	$	$
Participating ...	26,053,045 (Participating and Non-par. together)	158,482,246
Non-par.		32,059,116
Group	350,173	2,511,482
	26,403,218	193,052,844

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	13,223,378	50,068	6,331
1917	17,672,971	65,214	11,754
1922	23,683,843	108,059	15,367
1927	35,607,668	165,684	25,213
1931	46,855,113	197,899	22,935
1932	47,298,633	193,053	18,282

Percentage Analysis of Assets

	1932 %	1931 %	1930 %
Bonds:			
Government	14.7	15.3	14.6
Municipal	15.5	13.9	12.5
Other	10.8	12.7	16.5
Total bonds	41.0	41.9	43.6
Stocks:			
Preferred	3.8	4.5	7.4
Bank,, loan, trust and Cons. Gas.	5.3	5.3	5.6
Common	.2	.5	.5
Total stocks	9.3	10.3	13.5
Mortgages	27.9	28.7	25.9
Real estate	2.9	1.3	1.2
Policy loans	18.6	17.2	15.4
Other assets	.3	.6	.4
	100.0	100.0	100.0
Interest earned*	5.70	5.92	6.14

*On mean invested assets.

Mutual Relief

Old Ontario Company Does Business Throughout Canada

Founded in 1874, with head office in Kingston, Ont., the Mutual Relief Life Insurance Co. had a long and honorable career over a period of 55 years as the Oddfellows' Relief Association.

In June, 1929, however, a new Ontario charter was obtained and under the new name the company began business as a purely mutual life insurance company operating on the same basis as the leading line companies in Canada. The company now operates throughout Canada.

Total business in force at the end of 1932 amounted to $20,095,655 all of which is ordinary participating business. Paid for business in 1932 amounted to $1,606,870.

Assets at Dec. 31, 1932, totalled $5,221,220 compared with $5,042,747 at the end of 1931. Bonds and debentures make up the bulk of the total in 1931, accounting for $3,493,231, mortgages are valued at $754,000 and loans on policies at $221,866.

A bill to amend the reserve valuation basis used prior to June 10, 1929, and release $300,000 and $400,000 now tied up in excess reserves against policy contracts, is at present before the Ontario Legislature. Reserves set up when the company was a fraternal society are stated to be in excess of any sums which could possibly be needed to meet these obligations, on the basis of present mortality tables.

Officers—
Dr. J. C. Connell, pres.; D. A. Shaw, vice-pres.; W. T. Fortye, asst. gen. mgr. and sec.; H. H. Blakeman, actuary; W. P. Black, supt. of agencies.

Directors—
Dr. J. C. Connell, D. A. Shaw, C. C. Folger, W. Jackson, Hon. T. A. Kidd, J. M. Campbell, Dr. H. C. Connell, W. A. Mackintosh, Jas. Rigney, H. B. Muir, Dr. W. T. Connell, all of Kingston; W. McDonald, Montreal; Jos. Powley, Toronto.

Classes of Business Written—Ordinary business, participating.

Growth of Business

	Assets $	Business in Force $	Business Issued $
1930	5,079,363	21,043,453	3,283,000
1931	5,042,747	22,832,000	4,211,000
1932	5,221,220	20,095,655	*2,910,570

*Amount paid for in 1932 was $1,606,870.

SAUVEGUARDE LIFE ACTIVE IN QUEBEC

Organized in 1903 with head office at Montreal, La Sauvegarde Life Insurance Co. operated under Quebec license for nine years and then was licensed under Dominion supervision.

The company is the leading French-Canadian life insurance company operating in Canada, total business in force at the end of 1932 amounting to $28,421,926. This figure showed quite a large drop from the business in force at the end of the previous year and is over $2,700,000 less than was reached in 1930.

Business paid for in 1932 amounted to $3,500,023 of which $2,154,000 is non-participating ordinary business and the balance participating ordinary business.

Officers—
Narcisse Ducharme, pres. and mgr.; Hon. Sir H. Laporte, 1st vice-pres.; L. M. Lymburner, 2nd vice-pres.; Jean Pasquin, sec.; Pierre Camu, actuary.

Directors—
Representing shareholders: Narcisse Ducharme, Hon. Sir H. Laporte, L. M. Lymburner, C. A. Roy, all of Montreal; Alphonse Milette, Terrebonne, Que.
Representing policyholders: R. R. Bachand, N.P., Waterloo, Que.; Adjutor Cote, N.P., Montreal; Arthur Vallee, K.C., Outremont.

Capital—	
Authorized	$2,000,000
Subscribed	1,196,000
Paid-up	232,440

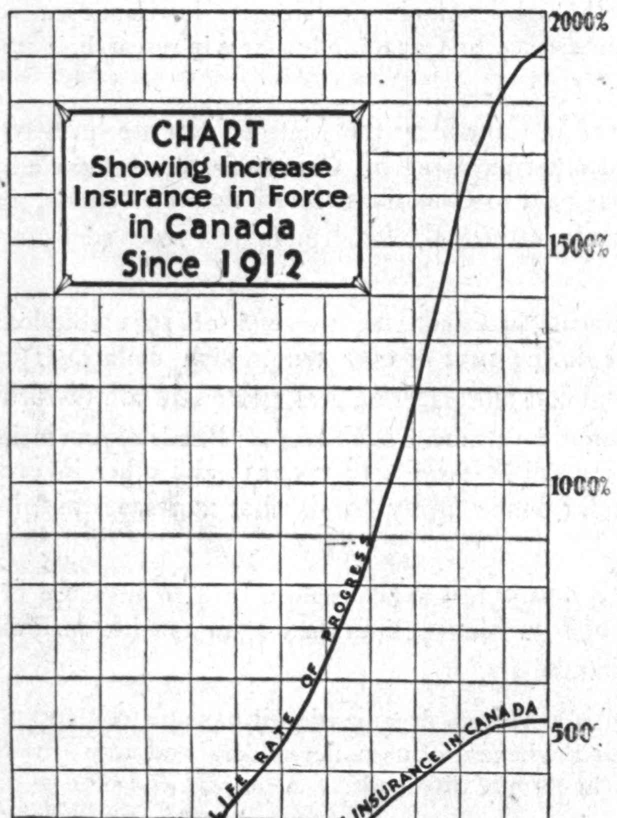
Classes of Business Written:	Paid for, 1932	Total in Force Dec. 31, 1932
Ordinary business:	$	$
Participating	1,436,856	18,500,821
Non-par.	2,154,167	9,471,105
Group	......	450,000

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	791,752	5,664	1,300
1917	1,353,321	7,005	1,001
1922	2,294,157	14,147	2,823
1927	3,589,045	25,752	4,729
1931	4,631,409	30,891	3,960
1932	4,832,500	28,422	3,500

An Interesting Story

In Chart Form



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STABILITY

ASSETS	
First Mortgages on Real Estate..	42%
Government and Municipal Bonds	20%
Public Utility and Industrial Bonds	6%
Preferred and Common Stocks.	2%
Loans on Company's Policies.	20%
Home Office and Other Real Estate	3%
Cash and Other Assets	7%
	100%
Average Interest Realized	5.96%

Crown Life Gains at every point in 1932

Insurance Issued Increased to $23,000,859.00

Insurance-in-Force Increased to $137,180,619.00

Cash Income Increased to $5,021,402.29

Assets Increased to $17,892,630.94

Contingency Reserve and Surplus Funds Substantially Increased

CROWN LIFE INSURANCE COMPANY

Rt. Hon. Sir Robert L. Borden, *President* — H. R. Stephenson, *General Manager*

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National Life

Paid-for Business in 1932 Higher Than in Previous Year

National life Assurance Co. of Canada, with head office at Toronto, has been operating under a federal license since 1889. In that time total assets and business in force have steadily increased and now amount to $11,483,290 and $59,094,035 respectively. Other than $532,500 of group insurance, business in force on the company's books is entirely ordinary.

New business paid for in 1932 totalled $8,539,135 an increase of $900,000 from 1931 and approximately the same as the five years' average of 1928 to 1932. Group business included in this total amounted to $80,000.

In addition to operating in all the provinces in Canada, the company also carries on business in Bermuda and Michigan, U. S. A. The Bermuda agency has been established since 1909 while the company has operated in the state of Michigan since 1924.

Feature Municipal Bonds

A feature of the company's investment portfolio is the high proportion of municipal bonds held. At December 31, 1932, total holdings amounted to 72.44 per cent of ledger assets, municipal bonds being 52.84 per cent of ledger assets. Policy loans of $2,192,387 or 20.13 per cent of ledger assets is the only other large item of the company's assets.

During 1932 the company increased the investment reserve from $200,000 to $400,000 and maintained the contingency reserve of $25,000. After providing for all liabilities and setting up statutory policyholder reserves of $9,823,000, the company showed free surplus of $315,000, a decrease of $59,000 from the previous year.

Officers—
A. H. Beaton, pres.; A. A. MacDonald, M.D., (Edin.), vice-pres.; F. Sparling, sec. and man. dir.; J. W. Fisher, B.A., actuary, and R. M. Huestis, mgr. of agencies.

Directors—
Representing Shareholders: A. H. Beaton, A. A. MacDonald, M.D., F. Sparling, Alf. Rogers, Toronto; Rt. Hon. G. P. Graham, Brockville; Hon. R. Lemieux, K.C., Ottawa.
Representing Policyholders: Col. A. E. Kirkpatrick, E. W. Bickle, Toronto; Hon E. M. MacDonald, K.C., Pictou, N.S.

Field of Operations—
Canada, Bermuda, State of Michigan.

Classes of Business Written:	Issued 1932 $	Total in Force Dec. 31, 1932 $
Ordinary business	8,459,135	58,561,536
Group	80,000	532,500
	8,539,135	59,094,036

Capital—

Authorized	$1,000,000
Subscribed	1,000,000
Paid-up	250,000

Dividends Paid—10% per annum.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	2,093,281	18,403	5,379
1917	3,755,420	22,687	4,338
1922	6,155,137	37,129	7,341
1927	8,477,959	48,890	10,332
1931	11,158,000	60,590	7,603
1932	11,483,390	59,094	8,539

Percentage Analysis of Invested Assets

	1932 %	1931 %	1930 %
Bonds:			
Government	15.19	15.26	16.43
Municipal	52.84	53.02	53.05
Other	4.41	5.25	5.50
Total bonds	72.44	73.53	74.98
Stocks:			
Preferred	.47	.48	.50
Common	2.35	2.40	2.35
Total stocks	2.82	2.88	2.85
Mortgages	.14	.14	.15
Real estate	3.90	3.98	4.19
Policy loans	20.13	18.88	16.79
Other assets	.57	.64	1.04
	100.00	100.00	100.00
Interest earned*	5.68	5.65	5.75

*On mean invested assets.

Mutual Life of Canada

Fifth Largest Canadian Company Does Most of Business in the Dominion — Bulk of Business Written on Participating Ordinary Plan

Mutual Life Assurance Co. of Canada, with head office at Waterloo, Ontario, ranks fifth among Canadian life insurance companies in point of assets and business in force, the latter figure having passed the half billion mark for the first time in the company's history during 1931.

Organized in 1869 under an Ontario charter, the company was originally incorporated as Ontario Mutual Life Assurance Company, the condition of organization being that at least 500 prospective policyholders pledge themselves to take out policies of $1,000 thus providing $500,000 of business in force at the outset. This goal was attained by February, 1870. Eight years later a Dominion charter was secured.

Name Changed

In 1900, the company's name was changed to its present title, and in March, 1929, the company started a policy of conservative expansion outside Canada by obtaining a license in New York state which was followed by a similar license for Bermuda in 1930. As yet, the great majority of business in force is in Canada, only about $20,000,000 having been written outside of the Dominion.

Group insurance was first written in 1927, the company now having $7,463,000 of group business on its books.

Business paid for in 1932, totalled $44,038,582, of which more than $40,000,000 was written on the participating ordinary plan. Group business paid for during the year totalled $2,271,000. The 1932 total of business written showed a decline of $9,000,000 from 1931 and compared with the five year average of approximately $60,000,000.

Assets Analyzed

Analysis of the company's investment showed 40 per cent of ledger assets or $50,377,000 invested in bonds, $36,540,000 of which are Canadian Government and municipal bonds. Mortgages and sale agreements comprised $42,329,000 of the company's assets in 1932, or 13.5 per cent of the total. Loans to policyholders totalled $28,146,000 or 22.3 per cent of total assets compared with 20.7 per cent in 1931.

Payments to policyholders in 1932 beneficiaries in 1932 totalled $15,138,746 compared with $14,664,000 in 1931. These payments since organization of the company have totalled $146,281,000. Policy reserves of $108,056,395 are stated to be substantially in excess of the minimum statutory requirements. Special reserves and surplus totalled $11,853,106 in 1932, an increase of $560,000 from the previous year. Of this total, $1,200,000 represents general investment reserve and $4,157,524 free surplus available for contingencies.

Being a purely mutual company, there is no capital stock.

Officers—
R. O. McCulloch, pres.; L. La Course Lang, 1st vice-pres.; Maj.-Gen. Hon. S. C. Mewburn, K.C., C.M.G., 2nd vice-pres.; W. H. Somerville, gen. mgr.; A. E. Pequegnat, asst. gen. mgr.; H. M. Cook, sec.; J. M. Laing, actuary; H. Holmes, assoc. actuary; H. L. Guy, treas.; W. Carlisle, supt. of agencies; J. M. Livingston, M.D., med. dir.

Directors—
R. O. McCulloch, Galt, Ont.; L. La Course Lang, L. J. Breithaupt, Kitchener; Hume Cronyn, London; W. G. Watson, Glyn Osler, K.C., T. A. Russell, E. G. Long, K.C., Toronto; Maj-Gen. S. C. Mewburn, K.C., C.M.G., Hamilton; Hon. J. Fred Fraser, Halifax; Isaac Pitblado, KC., Winnipeg; W. J. Blake Wilson, Vancouver; Hon. J. E. Perrault, K.C., Arthabaska, Que.; C. F. Sise, Montreal; W. H. Somerville, Waterloo.

Field of Operations—
Canada, Newfoundland, Bermuda, and New York State.

Capital—None.

Classes of Business Written:	Paid for, 1932 $	Total in Force Dec. 31, 1932 $
Ordinary business:		
Participating	40,343,078	496,055,624
Non-par.	1,424,358	14,449,706
Group	2,271,146	7,462,644

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	20,071,845	77,921	10,712
1917	32,165,432	123,511	20,673
1922	53,605,630	246,487	31,062
1927	89,233,343	386,712	49,535
1931	125,848,000	513,380	53,198
1932	132,198,893	517,968	44,039

Percentage Analysis of Invested Assets

	1932 %	1931 %	1930 %
Bonds:			
Gov't., gov't. guar., prov. & for.	13.6	12.3	11.4
Municipal & school	15.6	13.8	14.9
Other	10.8	13.0	13.3
Total bonds	40.0	39.1	39.6
Stocks	1.1	1.1	.8
Mortgages	33.5	36.5	37.9
Real estate	2.3	2.0	1.8
Loans on policies	22.3	20.7	19.8
Cash	.8	.6	.1
Total ledger assets	100.0	100.0	100.0
Net int. earned on invest. assets	5.67	5.73	6.13

COMMERCIAL LIFE PAID FOR $1,442,841

This Figure is Higher Than Total for 1931

With head office at Edmonton, Alta., Commercial Life Assurance Co. of Canada began business in October, 1918, as the Alberta-Saskatchewan Life Insurance Co. The present name was adopted in 1919. Total business in force at the end of 1913 was $10,110,380 of which amount $2,162,500 was group insurance. Total assets at December 31, 1932 amounted to $1,802,927. New business paid for during the year amounted to $1,442,841, a slight increase over the $1,159,000 recorded in 1931.

In 1931, the last year for which complete statistics are available analysis of the company's assets show that bonds and debentures are valued at $435,000 of which the largest individual item is school district debentures at $176,853. First mortgages are shown at $670,000, while loans on company policies amounted to $270,000.

The company's balance sheet also shows stocks taken in at cost to the value of $231,000.

Officers—
R. H. Cautley, pres.; Dr. E. W. Allin, and L. G. Calder, vice-pres.; J. W. Glenwright, man. dir.; E. B. H. Shaver, sec.; C. C. Sinclair, consulting actuary.

Directors—
R. H. Cautley, Dr. E. W. Allin, W. T. Henry, W. W. Prevey, H. W. B. Douglas, J. W. Glenwright, J. Gillespie, Edmonton; L. G. Calder, Montreal; W. F. Bredin, Grand Prairie; F. O. Hodgson, Vancouver; J. A. East, R. Shannon, Saskatoon.

Capital—

Authorized	$2,000,000
Subscribed	1,507,700
Paid-up	145,862

Classes of Business Written:	Paid for, 1932 $	Total in Force Dec. 31, 1932 $
Ordinary business:		
Participating	145,192	4,010,003
Non-par.	920,149	3,937,877
Group	377,500	2,162,500

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	......	......	......
1917	73,055	256	106
1922	229,725	3,920	2,331
1927	806,490	9,044	4,018
1931	1,691,000	10,527	1,159
1932	1,802,927	10,110	1,443

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New Management Strengthens Company's Earning Position

Ontario Equitable Life and Accident Insurance Co., with head office at Waterloo, Ontario, is the foremost Canadian company writing strictly non-participating life insurance in this country. It is licensed under an Ontario charter and writes business in all parts of Canada with the exception of the Maritime Provinces.

Founded by S. C. Tweed in 1920, the Ontario Equitable has grown very rapidly and has now $46,700,000 of business on its books. Important changes in the executives and officers of the company in 1931 owing to differences in opinion between Mr. Tweed and the directors, resulted in the appointment of Hon. C. A. Dunning as president and M. J. Smith as general manager. In the past two years and under the new management the company has considerably improved its earning and investment position.

Less Business Written

Business written by the company has, however, dropped considerably from the peak year and business in force has also shown a decline. However, it is stated that the new business which is being put on the books and the business which is being retained continues to place the company in a stronger financial position.

New insurance paid for in 1932 amounted to $3,551,782 compared with $6,326,408 in the previous year, and an average of something over $8,000,000 in the past ten years. Business in force at December 31, 1932, amounted to $46,700,028, compared with $51,336,000 at the end of 1931.

Large Mortgage Holdings

Total assets at the end of the 1932 period were shown as $8,238,516 of which 27.7 per cent was in bonds and 42.3 per cent in mortgages. According to the annual statement of the company bonds and debentures at amortized book value amounted to $2,280,000 while mortgages were valued at $3,420,000, both these figures being slightly reduced from the previous year.

Further improvement in the company's investment position in 1932 is indicated by an increase in investment reserve of $45,000 and a slight gain in free surplus. Provision was also made for a loss of $26,512 on investments sold, a write-down on mortgages and interest where losses seemed likely and after having made provision of $112,000 for securities in default.

High Capitalization

One unusual feature of this company is its extremely high capitalization. Total authorized capital is $8,000,000 of which $6,741,600 is subscribed and $655,055 paid up. Since incorporation, approximately $1,238,000 has been paid as premium on capital stock. The fact that the company is now in a position where it may expect an underwriting profit on its life insurance business should obviate the need for further sale of stock at a premium. Dividends were paid on the company's capital stock from 1926 until 1932. The rate of dividend was 6 per cent until February, 1932 when it was reduced to 5 per cent and eliminated entirely in August of that year.

Officers—
Hon. C. A. Dunning, pres.; J. C. Breithaupt, Senator H. W. Laird and J. C. Haight, K.C., vice-presidents; M. J. Smith, gen. mgr. & sec.; E. H. McKinney, supt. of agencies; F. D. Rueffer, treas.; H. E. Power, asst. sec.; H. G. Mistele, asst. treas.; E. R. Batho, asst actuary; J. R. Fischer, accountant; W. L. Hilliard, medical director; J. C. Haight, K.C., solicitor.

Directors—
Hon. C. A. Dunning, Ottawa; J. C. Breithaupt, Kitchener; J. C. Haight, K.C., Waterloo; Senator H. W. Laird, Regina; H. G. Bertram, Hon. F. C. Biggs, Dundas, Ont.; A. W. Briggs, K.C., H. Begg, Toronto; W. E. Long, Brantford; Hon. H. MacPherson, St. John's Nfld.; J. A. Martin, Kitchener; E. C. Mitchell, Charles S. Morton, Halifax; W. E. Payne, K.C., Red Deer, Alta.; E. K. Reiner, Wellesley, Ont.; J. M. Riddell, Stratford, Ont.; J. M. Walton, Aurora, Ont.

Field of Operations—
Canada, in each province except the Maritimes and in Newfoundland.

Capital—

Authorized	$8,000,000
Subscribed	6,741,600
Paid-up	655,055

Classes of Business Written:	Paid for, 1932 $	Total in Force Dec. 31, 1932 $
Ordinary business:		
Non-par.	3,551,782	46,700,028

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1922	452,169	13,207	9,442
1927	4,474,655	36,734	8,714
1931	8,125,000	51,336	6,326
1932	8,238,516	46,700	3,552

Percentage Analysis of Total Assets

	1932 %	1931 %	1930 %
Bonds:			
Government	5.5	5.0	6.0
Municipal	14.5	15.5	16.1
Other	7.7	8.8	7.9
Total bonds	27.7	29.3	30.0
Stocks:			
Preferred	.2	.4	.2
Common	.7	1.0	1.5
Total stocks	.9	1.4	1.7
Mortgages	42.3	44.4	46.0
Real estate	3.2	2.8	2.5
Policy loans	17.7	15.4	13.0
Other assets	8.2	6.7	6.8
Total assets	100.0	100.0	100.0
Interest earned†	5.74	6.17	6.51

†On mean invested assets.

EQUITABLE OF U. S. NOT ACTIVE HERE

Company Has $22,008,000 in Force — None Written Since 1920

Equitable Life Assurance Society of United States commenced business in Canada in 1868. While at the end of 1932 the company had $22,008,000 of insurance in force in the Dominion, the company has not been actively writing business here since 1920.

Assets on deposit as security for Canadian policyholders amounted to $10,433,410 at December 31, 1932, nearly one half of the amount of insurance in force.

The company is one of the largest in the United States, having over $6,665 millions of business in force at December 31, 1932, and assets of nearly $1,472 millions.

Head Office—393 Seventh Ave., New York, N.Y.
Head Office in Canada—Toronto, Canada.
Chief Agent in Canada:—M. J. F. Bowman, Toronto.

Growth of Business (In Canada)

Year	Assets $	Business in Force $	New Ins. Paid for $
1912	8,056,138	22,300,034	2,422,284
1917	7,671,038	28,056,000	5,363,000
1922	9,285,970	36,365,000	85,687
1927	10,187,342	28,857,000	62,000
1931	10,946,056	24,222,000	28,400
1932	10,433,410	22,008,000	13,700

Total assets	$1,471,697,007
Total business in force, Dec. 31, 1932	6,665,098,062
Total new ins. paid for, 1932	630,110,451

Imperial Life

Company's Assets Show Steady Trend from Mortgages to Bonds and Debentures — Business in Force Now $291,000,000

Imperial Life Assurance Co., with head office in Toronto, has been doing business in Canada under a federal government license since 1897. It now ranks among the first ten companies in Canada and at the end of 1932 had total assets amounting to $67,465,960, a figure which has shown steady and consistent growth from an initial total of $36,247 which represented total assets of the company in 1897. Total business in force at the end of 1932 amounted to $291,789 of which $2,130,000 is group insurance and the balance ordinary business, more than 90 per cent of which is participating.

Business issued and revived reached its peak in 1928 with a total of $44,968,000, the corresponding figure for 1932 being $27,321,794. New business paid for also reached a peak in 1928 when it totalled $39,526,000; the corresponding figure for 1932 is $23,436,000.

Imperial Life does business in all parts of Canada and in Newfoundland, Great Britain practically all parts of the British West Indies, and the States of New York and California. Operations are also carried on in Central America.

Investment Procedure

In its early history, Imperial Life invested most of its money in improved Western first mortgages on farm lands and in 1910 these represented 68 per cent of invested funds. By 1915, this figure had dropped to 50 per cent, a corresponding addition having been made to holdings of government and municipal bonds and debentures. By 1917, these two types of investment about equalled one another and since that time the trend has been toward bonds and debentures with the result that in 1932, these totalled 45.9 per cent of invested assets while mortgages comprise less than 23.9 per cent or approximately $50,000,000. In common with other companies, policy loans of the Imperial Life have been increasing steadily for the past three years and now amount to 22.6 per cent of ledger assets or a dollar volume of $14,494,000.

Reserves for assurances and annuities total $57,254,104 and the company states that this total is some $1,250,000 in excess of government requirements. There is a general contingency reserve fund of $1,000,000 and in addition surplus funds are shown in the 1932 balance sheet at the figure of $3,364,975.

Since its inception the company has paid to policyholders over $62,000,000 the amount paid out in 1932 alone being $8,971,333.

Officers—
G. A. Morrow, pres.; S. J. Moore and E. T. Malone, K.C., vice-pres.; F. Weston, man. dir.; G. C. Moore, asst. gen. mgr.; D. Matheson, secty.; J. G. Parker, actuary; H. T. Roesler, treas.; H. Hunt, supt. of agencies; H. B. Anderson, M.D., chief medical referee.

Directors—
Representing shareholders: E. T. Malone, K.C., S. J. Moore, G. A. Morrow, James Ryrie, J. F. Weston, F. P. Wood, J. P. Bickell, J. W. Mitchell, all of Toronto; Sir H. S. Holt, Montreal; W.G. Morrow, Peterborough.
Representing policyholders: Sir J. Aird, D. B. Hanna, H. H. Williams, Toronto; Hon. P. Burns, Calgary; Hon. D. Raymond, Montreal.

Field of Operations—
Canada, Great Britain, Bermuda, Newfoundland, Antigua, Barbados, Cuba, Dominica, Grenada, Haiti, Jamaica, St. Kitts, St. Lucia, Trinidad, British Honduras, Guatemala, Honduras, Nicaragua, Porto Rico, Salvador, British Guiana, and the states of New York and California, U.S.A.

Capital—

Authorized	$1,000,000
Subscribed	1,000,000
Paid-up	1,000,000

Dividends Paid on Capital Stock—15 per cent per annum.

Classes of Business Written:	Issued, 1932 $	Total in Force Dec. 31, 1932 $
Ordinary business:		
Participating	18,516,541	264,850,532
Non-par.	7,925,753	24,417,266
Group	879,500	2,113,000
	27,321,794	291,380,798

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	8,184,420	88,735	7,862
1917	14,283,845	63,362	13,088
1922	24,928,718	140,026	24,826
1927	45,242,682	242,132	41,795
1931	66,147,753	301,467	28,206
1932	67,465,960	291,381	23,436

Percentage Analysis of Invested Assets

	1932 %	1931 %	1930 %
Bonds & debentures	45.9	46.9	48.5
Pref. & com. stocks	3.7	3.9	4.0
First mortgages	23.4	21.4	24.2
Real estate	2.6	2.3	2.0
Policy loans	22.6	21.9	20.4
Cash & other ledg. assets	1.8	.6	.9
	100.0	100.0	100.0
Interest earned†	5.52	5.82	6.00

†On mean invested assets.

Continental

Business in Force Now Totals $37,400,000 — Assets $7,700,000

Continental Life Insurance Co., with head office at Toronto, was incorporated in 1889 under Ontario Letters Patent. Two years later a Dominion license was obtained. Since that time the company has expanded its business to all parts of Canada, and at the end of 1932 had total business in force of $37,433,000, practically all of which was in ordinary life insurance. The company has a small volume of group business which amounted to $72,000 at Dec. 31, 1932.

Total assets at the end of 1932 amounted to $7,722,928 of which bonds and debentures formed the largest share at $2,671,370, followed by first mortgages on real estate at $2,350,301, and loans on company's policies at $1,451,389.

Earned 5.80 Per Cent

Bonds, debentures and stocks are carried in the balance at amounts considerably below the authorized values, the company states. Average rate of interest earned on investments during 1932 was 5.80 per cent compared with 5.95 in the previous year.

In addition to the statutory reserves for policyholders on the basis of federal government requirements, amounting to $6,776,940, the company shows a free surplus of $374,031 over all liabilities and also the sum of $101,101 allotted as surplus to deferred dividends policyholders.

During 1932 the company paid for $3,733,000 of business compared with $4,300,000 in the previous year and an average of about $5,000,000 during the past 6 years.

Officers—
G. B. Woods, pres.; Dr. H. W. Aikins, 1st vice-pres.; S. Jones, 2nd vice-pres.; N. J. Lander, sec.; J. Hunter, actuary.

Directors—
Representing Shareholders—G. B. Woods, Dr. H. W. Aikins, S. Jones, N. L. Paterson, R. Southam, W. A. Medland, W. A. Denton, G. H. Smith, G. H. Fensom, all of Toronto; Sir G. Garneau, Quebec.
Representing Policyholders—E. E. Sharpe, Winnipeg; J. W. Hobbs, J. T. Richardson, G. H. Muntz, all of Toronto; W. A. Dryden, Brooklin.

Capital—

Authorised	$1,500,000
Subscribed	1,000,000
Paid-up	200,000

Classes of Business Written:	Paid for, 1932 $	Total in Force Dec. 31, 1932 $
Ordinary business		
Participating	*2,793,212	29,710,499
Non-par.	939,572	7,650,366
Group	......	72,000

*Estimated.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	1,402,367	8,524	1,726
1917	2,372,890	12,031	2,075
1922	3,656,247	20,128	3,192
1927	5,650,119	32,779	5,069
1931	7,589,000	38,809	4,300
1932	7,722,928	37,438	3,733

SASKATCHEWAN LIFE MAINTAINED VOLUME

Policy Loans Higher But Liquid Position Good

Saskatchewan Life Insurance Co., with head office at Regina, despite exceedingly poor conditions in the Prairie provinces in which it operates, maintained its volume of business in force in 1932. Total insurance at the end of the year amounted to $10,117,652 compared with $10,481,429 at the end of the previous year.

In spite of a heavy demand for cash surrenders and policy loans the company reported income was maintained at only slightly less than the corresponding figure of a year ago. Assets show a slight increase and amount to $2,200,318. The chief item is first mortgages which is shown at $882,000. Bonds and debentures are valued at $359,000 and policy loans have increased from $638,000 to $692,000.

Business paid for in 1932 totalled $1,036,000 of which $21,000 was group business and the remainder ordinary.

Investment reserve which, a year ago, was $50,000 has been increased to $165,000, while total surplus and reserve funds are higher at $458,663 against $427,000 at the end of 1931.

With a view to effecting economies the company has made a moderate reduction in shareholder dividends and has substantially reduced its expense ratio. Total expenses for the year were lower by over $22,000 at $129,213.

C. M. Willoughby, pres.; D. Low, M.D., vice-pres.; G. H. Barr, K.C., vice-pres.; M. B. Farr, man. dir.; W. F. Curell, sec.; H. P. Morrison, actuary.

Directors—
Representing Shareholders: D. Low, G. H. Barr, K.C., W. H. Duncan, J. A. Cross, K.C., M. B. Farr, A. E. Whitmore, C. M. Willoughby, all of Regina; J. W. Sifton, Moose Jaw.
Representing Policyholders: I. H. Bowman, H. G. Smith, Regina; W. St. Germain, Gravelbourg; G.C. Thomson, Swift Current.

Classes of Business Written:	Paid for, 1932 $	Total in Force Dec. 31, 1932 $
Ordinary business:		
Participating	1,015,413	9,407,502
Non-par.		595,150
Group	21,000	115,000

Capital—

Authorized	$1,000,000
Subscribed	1,000,000
Paid-up	100,000

Dividends Paid—5% per annum.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	......	......	......
1917	304,423	2,315	1,007
1922	586,401	5,073	973
1927	1,444,929	10,213	1,425
1931	2,197,000	10,350	1,047
1932	2,200,318	10,118	1,036

Maritime Life

Strong Position at Dec. 31, 1932 — Bond Holdings High

With head office at Halifax, Maritime Life Assurance Company carries on an active life insurance business in the three Maritime Provinces, in Newfoundland, and in Bermuda, Bahamas, Jamaica and Leeward Islands.

At the end of 1932, the company had $12,313,901 of business in force, all written on a non-participating ordinary plan. The company has 5,340 policies in force. Business paid for in 1932 totalled $1,630,908, a slight decrease from the $2,143,000 recorded in 1931 and comparable with five year average of slightly over $2,000,000. Total assets at December 31, 1932, were $1,337,367 an increase of $170,000 from the previous year.

Of total assets, $830,448 is invested in bonds, debentures, and stocks, $230,164 in first mortgages and $89,361 is loaned on company's policies. In addition to capital stock paid up of $250,000 the company has set up $86,197 as a reserve to adjust certain investments to values fixed by the insurance department at Ottawa. Surplus of $77,542 shows an increase of $5,700 from the figure in the previous balance sheet.

Statutory reserves for policyholders in accordance with federal insurance laws amount to $994,224. Since the company commenced business it has paid out in claims for death and total disability to policyholders and beneficiaries a total of $314,637.

Officers—
Hon. E. A. Reilly, K.C., chm. of board; J. G. MacDougall, M.D., pres.; H. R. Silver, vice-pres.; B. Lockwood, F.F.A., A.I.A., sec.-treas. and actuary.

Directors—
Hon. E. A. Reilly, K.C., Moncton; J. G. MacDougall, H. R. Silver, Hon. W. A. Black, M.P., R. B. Colwell, Hon. Senator W. H. Dennis, Hon. G. H. Murphy, M.D., all of Halifax; Hon. Senator J. McLean, Souris; Hon. Senator F. B. Black, Sackville; W. F. Fraser, New Glasgow; J. D. McKenna, Saint John; W. A. Livingstone, Annapolis; W. H. Miller, Campbellton; Dr. J. L. Melssac, M.L.A., Antigonish; Red Hugh McLean, Bathurst, N.B., and J. H. Winfield.

Field of Operations—
Canada, Bermuda, Newfoundland, West Indies, Antigua, Bahamas, Jamaica, Montserrat, St. Kitts, Trinidad.

Capital—

Authorized	$1,000,000
Subscribed	1,000,000
Paid-up	250,000

Classes of Business Written:	Paid for, 1932 $	Total in Force Dec. 31, 1932 $
Ordinary business		
Non-par.	1,630,908	12,313,901

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1927	490,242	5,038	1,922
1931	1,169,000	12,362	2,143
1932	1,337,367	12,314	1,631

WEST. EMPIRE LIFE HAS GOOD REPORT

Western Empire Life Assurance Co., with head office at Winnipeg, has been operating for 21 years and as at the end of 1932, had total business in force of $9,471,980. This figure shows a drop of $1,800,000 from the total at the end of the previous year. New insurance paid for during the year amounted to $1,832,176, while total assets were shown at $2,023,409.

The company operates on a Manitoba charter and carries on business in the four Western provinces. Since the beginning of 1931 the company has been in charge of F. C. O'Brien, who was formerly secretary-treasurer and was appointed general manager upon the retirement of William Smith, president and founder of the company, early in 1931.

Of total assets of just over $2,000,000, $950,487 or nearly one-half is invested in first mortgages on real estate. Bonds and debentures to the value of $219,904 are shown in the balance sheet along with policy loans of $470,009. Reserve for policyholders amounts to $1,400,316 and the liabilities also show a bank loan of $249,000.

Authorized capital of the company is $1,000,000 of which $881,000 is subscribed and $218,153 paid up. Surplus of assets over liabilities excluding capital is shown as $249,790, giving a free surplus of more than $31,640. In addition the company has a contingency reserve of $90,000.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	223,821	*1,009	1,009
1917	322,782	3,235	1,106
1922	864,477	6,377	979
1927	1,256,196	9,276	1,788
1931	2,031,000	10,935	†2,676
1932	2,023,409	9,472	1,832

† Issued business.

Officers—
R. W. Craig, pres.; Brig. Gen. H. M. Dyer, vice-pres.; F. C. O'Brien, gen. mgr.; A. M. Campbell, medical director.

Directors—
R. W. Craig, Brig. Gen. H. M. Dyer, W. Hudson, A. M. Campbell, C. Rice-Jones, A. J. Fraser, W. Harvey.

Capital—

Authorized	$1,000,000
Subscribed	881,000
Paid-up	218,153

Classes of Business Written:	Paid for, 1932 $	Total in Force Dec. 31, 1932 $
Ordinary business:		
Participating	1,458,469	8,605,292
Non-par.	373,707	866,638

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John Brown Dramatizes an AESOP Fable

JOHN, like many other men, had been trying to get rich quick. Every time he got a few hundred dollars to spare he would take a flyer on the market. But somehow, after seven or eight years of trying, he was worse off than when he started.

"Guess I am like the old dog who had a good bone, saw its large reflection in the water, and dropped it into the mud. I've been letting go the substance for the shadow.

"Now, there's Harry, for instance; Harry is my age, has never earned as much as I have, yet he was telling me today that he had an Endowment Policy pretty well paid for and another nice little bit of Monthly Income insurance in the Ontario Equitable Life, so that, if anything happened to him, Beatrice and the kids could worry along all right."

He fished out a pencil and made a rough calculation of how much insurance he could have bought, if he had put the six or seven hundred a year that he had been speculating with, and losing, into Life Insurance.

He put the paper down . . . refilled his pipe, and thought for a few moments. "By Jove," he said to himself, "I've not been playing fair by Lou and the kids. I'm cured. I'm going to slap on some more Life Insurance. I'll call up that Ontario Equitable chap first thing tomorrow. . . . Me for the safe and steady course hereafter."

$100 a Month provided by a $10,000 Family Income Policy is TWICE the return from the usual safe investment. It cuts the cost of Family Protection by HALF.

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THE ONTARIO EQUITABLE
LIFE AND ACCIDENT INSURANCE COMPANY
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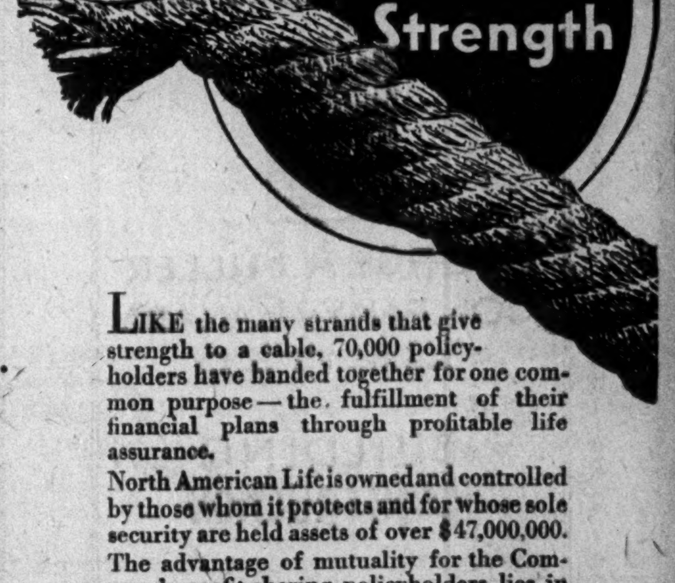

LIKE the many strands that give strength to a cable, 70,000 policyholders have banded together for one common purpose—the fulfillment of their financial plans through profitable life assurance.

North American Life is owned and controlled by those whom it protects and for whose sole security are held assets of over $47,000,000.

The advantage of mutuality for the Company's profit-sharing policyholders lies in the fact that they receive in dividends the entire profits arising from the operation of their business.

Our nearest representative will be glad to tell you why it is in your interests to *Assure Mutually.*

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Assets $47,298,633
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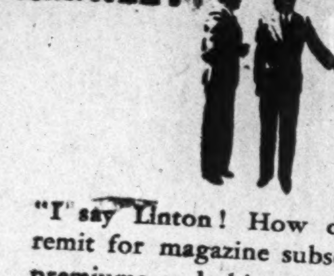
Mr. ASHLEY WAS PERPLEXED



"I say Linton! How do you arrange to remit for magazine subscriptions, insurance premiums and things like that billed to you through the mail?"

"Step into the nearest Branch of Imperial Bank of Canada," replied Linton, "and buy a Money Order that can be mailed and cashed anywhere with perfect safety."

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A. E. Phipps, General Manager
230 BRANCHES THROUGHOUT CANADA

Fanny Farmer Candy Dividends Declared

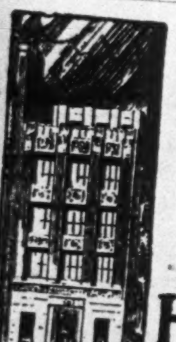
Directors of Fanny Farmer Candy Shops Inc. have declared a quarterly dividend of 25 cents per share on the common stock payable April 1, to shareholders of record March 15. This follows interim payment made on January 4, of 25 cents per share and would indicate that the annual rate of $1 per share will be maintained unless earnings are not satisfactory. Dividends at the rate of $1 per share per year were paid from April, 1928 until 1932 when the payment due July 1 was passed and no further disbursements were made in that year.

A regular dividend of 60 cents per share on the $2.40 cumulative preference stock has been declared payable April 1 to shareholders of record March 15.

Goodyear Tire Cuts Common Dividend Rate

Goodyear Tire & Rubber Co. of Canada will pay a quarterly dividend of 60 cents per share of no par value common stock on April 3 to shareholders of record March 15. This represents a reduction in the annual dividend rate to $2.40 per share from $5 previously paid. The regular dividend of $1.75 has been declared on the 7 per cent preferred stock payable on the same date as the common.

The dividend of $5 per year on the common stock has been paid since October, 1927 while in addition to the regular dividend a bonus of $1 was paid in 1928, $5 in 1929, and $2.50 in 1930. In the year ended Dec. 31, 1932, the company earned $1.62 per share on common stock.



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R. G. Babbage D. I. McLeod
W. A. Black H. T. Hunter
L. R. Crandall N. L. C. Mather
Geo. T. Pepall Wilmot L. Matthews
J. J. Gibson J. F. McPherson
Hon. J. M. Wilson
TORONTO
MONTREAL
SERVICE EXPERIENCE ORGANIZATION

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING MARCH 13

Range 1933 High	Range 1933 Low	Divd. Rate in $	Yield in % Mar. 11		Sales	Close Mar. 6 (or last)	Week Ending Mar. 13 High	Low	Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Range 1933 High	Range 1933 Low	Divd. Rate in $	Yield in % Mar. 11		Sales	Close Mar. 6 (or last)	Week Ending Mar. 13 High	Low	Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† Quotations for 1932. No sales recorded in 1933 to date.
‡ Quotations for 1931.
x New York Quotations.
b Stock dividend.
* Amount of arrears covering quarter ended Mar. 31, 1932.
† Plus final dividend of 17½c. payable Mar. 31.

Dividends Declared

	Present Annual rate	Amt. this payment	Date payable	Date of record
Agnew Surpass, pref.	7%	1¾%	Apr. 1	Mar. 15
Assoc. Breweries, pfd.	$7	$1.75	Apr. 1	Mar. 15
Bell Telephone	6%	1½%	Apr. 15	Mar. 23
Brit. Col. Power "A"	$2	50c	Apr. 15	Mar. 31
Brantford Cordage, 1st pfd.	8%	2%	Apr. 1	Mar. 20
Brazilian Traction, pfd.	6%	1½%	Apr. 1	Mar. 15
Burt, F. N.	$2	50c	Apr. 1	Mar. 15
Do., pref.	$7	$1.75	Apr. 1	Mar. 15
Brit. Amer. Oil (No. 12)	80c	20c	Apr. 1	Mar. 18
Bk. of Nova Scotia	$14	$3.50	Apr. 1	Mar. 16
Building Products "A" & "B"	$1	25c	Apr. 1	Mar. 16
Calgary Power c.	$6	$1.50	Apr. 1	Mar. 15
Can. Cottons, pref.	6%	1½%	Apr. 4	Mar. 18
Central Can. Loan	$8	$2	Apr. 1	Mar. 15
Can. Canners, 1st pref.	6%	1½%	Apr. 1	Mar. 15
Do., 2nd pref.	20c	5c	Apr. 1	Mar. 15
Can. Celanese, pref.	$7	$1.75	Mar. 31	Mar. 18
Can. Gen. Electric	$4	$1	Apr. 1	Mar. 15
Do., pref.	$7	$1.75	Apr. 1	Mar. 15
Can. Northern Power	80c	20c	Apr. 25	Mar. 31
Do., pref.	7%	1¾%	Apr. 15	Mar. 31
Canadian Oil, pref.	8%	2%	Apr. 1	Mar. 20
Canadian Car, pref.	$1.75	44c	Apr. 10	Mar. 27
Can. Perm. Mortgage	$10	$2.50	Apr. 1	Mar. 15
Consumers' Gas	10%	2½%	Apr. 1	Mar. 15
Dominion Textile	$4	$1	Apr. 1	Mar. 15
Do., pref.	$7	$1.75	Apr. 15	Mar. 31
Dominion Bank	$10	$2.50	Apr. 1	Mar. 20
Dominion Bridge	$2	50c	May 15	Apr. 29
Dominion Stores	$1.20	30c	Apr. 1	Mar. 15
Dome Mines	$1	25c	Apr. 20	Mar. 31
Do., extra	..	20c	Apr. 20	Mar. 31
Dominion Glass	$5	$1.25	Apr. 1	Mar. 15
Do., pref.	$7	$1.75	Apr. 1	Mar. 15
Eastern Trust	$8	$2	Apr. 1	Mar. 15
Fanny Farmer	$1	25c	Apr. 1	Mar. 15
Do., pref.	$2.40	60c	Apr. 1	Mar. 15
Freiman, A. J., pfd.	$6	$1.50	Apr. 1	Mar. 15
Goodyear Tire	$2.40	60c	Apr. 3	Mar. 15
Do., pref.	$7	$1.75	Apr. 3	Mar. 15
Gurd, Chas., pref.	$7	$1.75	Apr. 1	Mar. 15
General Trust of Can., pfd.	$6	$1.50	Apr. 1	Mar. 25
Hollinger Gold	65c	5c	Mar. 25	Mar. 10
Hunts, "A" & "B"	50c	12½c	Apr. 1	Mar. 17
Hamilton Un. Theatres, pfd.	$7	$1.75	Mar. 31	Feb. 28
Huron & Erie Mtge.	$7	$1.75	Apr. 1	Mar. 15
Inter. Hydro Elec. pfd.	$3.50	87½c	Apr. 15	Mar. 23
Imperial Tobacco c.	35c	8¾c	Mar. 31	Mar. 1
Do., final	...	17½c	Mar. 31	Mar. 1
Do., pref.	6%	3%	Mar. 31	Mar. 1
Inter. Nickel, pref.	7%	1¾%	May 1	Apr. 1
Jamaica Pub. Service	$1	25c	Apr. 1	Mar. 17
Do., pref.	$7	$1.75	Apr. 1	Mar. 17
Landed Banking & L.	$6	$1.50	Apr. 1	Mar. 15
Mitchell, J. S., pref.	$7	$1.75	Apr. 1	Mar. 17
Montreal C. & D. Bank	$12	$3	Apr. 1	Mar. 15
McColl-Frontenac, pfd.	6%	1½%	Apr. 15	Mar. 31
Nat. Breweries	$1.60	40c	Apr. 1	Mar. 15
Do., pref.	$1.75	44c	Apr. 1	Mar. 15
National Biscuit	$2.80	70c	Apr. 15	Mar. 17
Northern Ont. Power	$2	50c	Apr. 25	Mar. 31
Do., pref.	6%	1½%	Apr. 25	Mar. 31
New England Power, pfd.	$6	$1.50	Apr. 1	Mar. 10
Do., pref.	$2.50	50c	Apr. 1	Mar. 10
Do., com.	$2	50c	Apr. 1	Mar. 10
National Trust	$10	$2.50	Apr. 1	Mar. 21
N. S. Light & Pr. c.	$4	$1	Apr. 1	Mar. 18
Ottawa L. H. & Pr.	$6	$1.50	Mar. 31	Mar. 15
Do., pref.	$6.50	$1.62½	Apr. 1	Mar. 15
Ont. Loan & Deb.	$6	$1.50	Apr. 1	Mar. 15
Premier Gold Mines	12c	3c	Apr. 4	Mar. 15
Perfect Circle	$2	50c	Apr. 1	......
Pioneer Gold, B.C.	24c	6c	Apr. 1	Mar. 10
Page-Hersey Tubes, c.	$3	75c	Apr. 1	Mar. 20
Do., pref.	7%	1¾%	Apr. 1	Mar. 20
Penmans	$3	75c	May 15	May 5
Do., pref.	$6	$1.50	May 1	Apr. 21
Porto Rico Power pfd.	$7	$1.75	Apr. 1	Mar. 15
Riverside Silk "A"	$1	25c	Apr. 1	Mar. 15
Supertest Pete. "A" pfd.	7%	1¾%	Apr. 1	Mar. 15
Do., "B" pref.	6%	1½%	Apr. 1	Mar. 15
Do., com. & ord. coupon (23)	$1	25c	Apr. 1	Mar. 15
Siscoe Gold Mines	12c	3c	Mar. 31	Mar. 10
Southern Can. Power, pfd.	6%	1½%	Apr. 15	Mar. 20
Simpson, Robt., pref.	$6	$3	May 1	Apr. 15
Toronto Mortgage	$6	$1.50	Apr. 1	Mar. 15
Western Grocers pref.	$7	$1.75	Apr. 15	Mar. 20
Wright-Hargreaves	20c	5c	Apr. 1	Mar. 15

Dividends Passed or Deferred:
Standard Steel Construction, pref. Apr. 1, passed. Last paid 75c. Jan. 1, 1933.
Sherwin-Williams, pref. Mar. 31, deferred. Last paid $1.75 Dec. 31, 1932.
Gurd, Chas., c. Apr. 1, deferred. To be considered again in April 1933.
Tip Top Tailors, pref. Apr. 1 deferred. To be considered in June 1933.

Dividend Rate Reduced:
Burt, F. N., com. Apr. 1, $2.40 to $2 per annum.
Can. Canners, 2nd pref. Apr. 1, 40c. to 20c. per annum.
Dominion Textile, com. Apr. 1, $5 to $4 per annum.
Bell Telephone, Apr. 15, $7 to $6 per annum.
Can. Permanent Mortgage, Apr. 1, $12 to $10 per annum.
Hunts, "A" & "B" Apr. 1, $1 to 50c. per annum.
Landed Banking & Loan, Apr. 1, $8 to $6 per annum.
Goodyear Tire, c. Apr. 3, $5 to $2.40 per annum.
Huron & Erie Mtge. Apr. 1, $8 to $7 per annum.
National Trust, Apr. 1, $12 to $10 per annum.
Central Canada Loan, Apr. 1, $10 to $8 per annum.

Extra Dividends:
Dome Mines, 20c. Apr. 20.
Imperial Tobacco, c. 17½c. final div., Mar. 31.

Dividend Rate Increased:
Wright-Hargreaves, Apr. 1, from 2½c. to 5c. quarterly.

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)
March 14, 1933

	Bid	Asked
Industrial Bonds:		
Abitibi P. & P. 5% 1953	17.50	19.00
Acadia Sugar 6% 1946	85.00	89.00
Alta. Pac. Grain 6% 1946	78.00	80.00
American Sales Book 6% 1939	103.00	....
Arnold Bros. 6% 1947	30.00	35.00
B. A. Oil 5% 1945	88.00	91.00
Can. Biscuit 6½% 1946	....	23.00
Can. Bread 6% 1941	82.00	85.00
Can. Cement 5½% 1947	49.00	53.00
Can. Steamship 6% 1941	13.00	16.00
Can. Bakeries 6½% 1945	50.00	69.00
Can. Canners 6% 1950	73.00	76.00
Can. Copper Refin. 6% 1945	101.00	104.00
Can. Cottons 5% 1940	83.00	86.00
Can. Vickers 6% 1947	57.00	62.00
Cons. Invest. 4½% 1959	23.50	25.50
Cosmos Imp. Mills 6½% 1944	82.50	87.00
Davies, Wm. 6% 1942	86.00	90.00
Debenture & Sec. 4% 1936	53.00	56.00
Dom. Manufacturers 6% 1933	95.00	....
Dom. Tar & Chemical 6% 1949	54.00	56.00
Dom. Telegraph 5½% 1978 "A"	86.00	88.00
Dom. Textile 6% 1949	99.00	....
Dom. Woollens 6% 1948	13.00	16.00
Donnacona Paper 5½% 1948	14.00	17.00
Eaton Realty 5% 1949	78.00	80.00
Famous Players 6% 1948	....	58.00
Famous Players 6½% 1948	....	40.00
Federal Grain 6% 1949	76.00	80.00
Fraser Cos. 6% 1932	10.00	....
Fraser Cos. 6% 1950	10.00	....
Galt Brass 7½% 1941	....	30.00
Goodyear Cotton 6% 1949	101.00	....
Great Lakes Paper 6% 1950	17.00	19.00
Gypsum, Lime & Alab. 5½% 1948	28.00	30.00
Harris Abattoir 6% 1947	87.00	90.00
Howard Smith 5½% 1953	53.50	55.50
Loew's Toronto 6% Serial	100.00	....
London Realty 6½% 1950	32.00	37.00
Maple Leaf Milling 5½% 1949	30.00	40.00
Massey-Harris 5% 1947	43.00	48.00
McColl-Frontenac 6% 1949	84.00	87.00
McKinnon Industries 6½% 1945	95.00	100.00
Mercury Mills 5½% 1953	....	40.00
Metropolitan Bldg. 7% 1944	88.00	....
Nor. Ont. Bldg. 6½% 1939	61.00	65.00
Price Bros. 6% 1943	26.00	30.00
Richmond Bay 6½% 1947	64.00	67.00
Rolland Paper 5½% 1948	70.00	....
Simpson's Ltd. 5½% 1949	....	40.00
Simpson's Ltd. 6% 1949	38.00	42.00
Steel of Canada 6% 1940	103.00	106.00
Toronto Carpet 6% 1944	75.00	80.00
United Gas & Fuel 5½% 1948	48.00	54.00
United Grain Growers 5% 1948	76.00	79.00
United Grain Growers 5½% 1949	79.00	81.00
Western Grain 6% 1949	60.00	65.00
Public Utility Bonds:		
Bell Telephone 5% 1955	99.50	103.00
Bell Telephone 5% 1957	99.50	103.00
B. C. Power 5½% 1960	79.00	83.00
B. C. Telephone 5% 1960	83.00	88.00
Calgary Power 5% 1960	73.00	77.00
Can. Northern Pwr. 5% 1953	73.00	77.00
Duke Price Pwr. 6% 1966	56.00	60.00
French Natl. Mail SS 6% 1952	....	125.00
Gatineau Pwr. 6% 1941 "A"	50.00	52.50
Gatineau Pwr. 5% 1956	74.00	77.00
Maclaren Quebec 5½% 1961	69.00	73.00
Manitoba Power 5½% 1951	42.00	48.00
Montreal Isl. Pwr. 5½% 1957	95.00	100.00
Montreal LH&P 5% 1951	99.00	104.00
Montreal LH&P 5% 1970	99.00	104.00
Montreal Tram. 5% 1941 July	96.00	99.00
Montreal Tram. 5% 1955	67.50	70.00
Northwest. Utilities 7% 1938	90.00	95.00
Ottawa Valley Pwr. 5½% 1970	96.00	99.00
Quebec Power 5% 1968	85.00	92.00
Rio Tramways 5% 1935	95.00	100.00
Shawinigan W&P 4½% 1970	58.00	62.00
Shawinigan W&P 5% 1970	68.00	71.00
Shawinigan W&P 6% 1937	84.50	88.00
Southern Can. Pwr. 5% 1955	96.00	98.00
West Kootenay Pwr. 5% 1956	88.00	93.00
Government, Provincial & Railway Bonds:		
C.N.R. 4½% 1951 Dom. Gtd.	96.50	98.00
C.N.R. 4½% 1957 Dom. Gtd.	96.50	98.00
C.N.R. 5% 1969 Dom. Gtd.	101.00	102.50
C.P.R. 4½% 1944	62.00	66.00
C.P.R. 5% 1954	85.00	88.00
Dom. of Can. 5% 1936	100.50	102.00
Dom. of Can. 5% 1941	100.25	102.00
G.T.P. 3% 1962 Dom. Gtd.	....	77.50
G.T.P. 4% 1962 Dom. Gtd.	....	93.00
Ont. Hydro 3½%, 4%, 5%, 1952 Ont. Gtd.	86.50	88.50
Ont. Hydro 4¾% 1970 Ont. Gtd.	97.50	98.50
Ont. Hydro 4% 1957 Ont. Gtd.	89.00	90.00
Prov. of N. B. 5½% 1950	96.50	98.00
Prov. of Ont. 4½% 1944	99.50	101.00
Prov. of Ont. 5% 1948	104.00	105.00
Prov. of Ont. 5½% 1947	104.00	105.00

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers, Toronto
March 14, 1933

	Bid	Asked
Industrial Stocks:		
Acadia Sugar c.	.35	.65
Acadia Sugar 6% Pfd.	2.60	3.30
Acme Farmers Dairy 7% Pfd.	59.00	65.00
Acme Glove pfd. bonus com.	5.50	8.25
Agnew Surpass 7% pfd.	59.50	65.00
Allens Beach 7% pfd. bonus. com.	31.50	....
Allens College 7% pfd. bonus com.	31.50	....
Allens London 7% pfd. bonus com.	31.50	....
Allens St. Cath. 7% pfd. bonus com.	31.50	....
Allens St. Clair 7% pfd. bonus com.	31.50	....
Allens Toronto 7% pfd. bonus com.	16.50	....
Atlantic Sugar "A" pfd.	70.00	80.00
B. C. Pulp & Paper pfd.	....	13.00
Burns pfd. bonus com.	2.25	3.50
Canada & Dom. Sugar	21.25	22.25
Canada Machinery com.	2.50	5.00
Canada Mach. pfd.	14.25	....
Canada Pack. com.	8.50	11.50
Canada Packers 7% pfd.	73.50	....
Canada Starch 7% pfd.	60.50	68.00
Canada Tea 7% pfd.	48.00	54.00
Canada Wire & Cab. 6½% pfd. WW	....	45.00
Can. Industries com "A"	72.00	....
Can. Industries com. "B"	69.00	72.00
Can. Industries 7% pfd.	114.00	117.00
Can. Westingh.	35.00	40.00
Claude Neon Gen. Adv. Units	....	15.75
Claude Neon Gen. Adv. com.	....	.55
Dom. Found. & Steed 8% pfd.	....	66.50
Dom. Found. & Steel com.	2.00	5.75
Dom. Manufact. 7% pfd.	60.00	69.00
Dunlop Tire 7% pfd.	36.00	42.00
Eastern Dairies Ltd. 7% pfd.	....	50.50
Edmonton Stockyards Units	38.50	52.00
Federal Grain 6½% pfd.	19.00	25.00
Gen. Steel Wares pfd.	5.00	6.75
Goderich Elevator & Transit	4.75	6.00
Greening Wire 7% pfd.	....	60.50
Guardian Realty 7% pfd.	....	23.50
Guelph Carpet 6½% pfd. bonus	64.00	72.00
Guelph Carpet com.	4.25	....
Inter. Propriet. A	19.75	23.00
Langleys Ltd. 7% pfd.	....	35.50
Loew's Lond. com.	.35	.85
Loew's London 7% pfd.	3.00	4.25
Loew's Toronto 7% pfd.	....	60.00
Massey-Harris 5% pfd.	11.00	13.00
Mount Royal Hotel com.	.25	....
Mount Royal Hotel 6% pfd.	3.00	4.25
Nat. Grocers com.	.50	1.00
National Grocers 7% 2nd pfd.	39.00	43.50
National Sewer Pipe com.	4.75	....
Neilson, Wm., com.	4.25	....
Paramount Kitchener pfd.	27.50	....
Paramount Oshawa com.	4.25	....
Paramount. Oshawa pfd.	29.00	....
Provincial Paper 7% pfd.	30.00	35.00
Reliance Grain 6½% pfd.	40.00	....
Rolland Paper 6% pfd. W.W.	25.50	28.50
Standard Clay Products com.	....	13.50
Standard Fuel 6½% pfd. bonus	53.50	58.00
Supersilk pfd. bonus	24.25	....
Ind. Stock cont'd.		
Supertest Petroleum "B"	18.25	[illegible]
Toronto Elevators 7% pfd.	70.00	[illegible]
Western Grain 6½% pfd. bonus	....	[illegible]
Willards Choc. pfd.	....	[illegible]
Insurance Stocks:		
British America Assce.	30.50	40[illegible]
Can. Life Assce.	325.00	....
Can. Fire Ins.	50.00	60[illegible]
Confed. Life 20% pd.	122.00	132.[illegible]
Continental Life 20% pd.	38.50	50.[illegible]
Crown Life Ins. 85%	80.00	110[illegible]
Dom. Fire Ins.	....	....
Dom. Life 50% pd.	....	255.[illegible]
Dom. of Can. Gen. Ins.	98.50	112.0[illegible]
Empire Life 25% pd.	8.75	12.0[illegible]
Excelsior Life 30% pd.	80.50	90.0[illegible]
Great West Life Assce.	240.00	265.00
Guarantee Co. of N. A.	239.00	....
Halifax Fire Ins.	9.50	11.00
Imperial Life	240.00	260.00
Manuf. Life Ins.	225.00	250.00
Monarch Life 10% pd.	17.00	20.00
National Life 25% pd.	60.00	70.00
Saskatchewan Life 10% pd.	7.75	12.75
Sovereign Life 25% pd.	14.50	....
West. Assur. com.	15.00	....
Western Life 20% pd.	7.00	12.00
Trust & Loan Stocks:		
British Mort. & Trust	155.50	165.00
Can. Gen. Invest. Ltd.	2.80	3.10
Chartered Trust	....	69.00
Debenture & Sc. 5% pfd.	5.00	....
Eastern Can. Sav. & Loan	107.00	114.00
Eastern Trust	132.00	142.00
Guelph & Ont. Inv. par $50	47.50	54.00
Investment Foundation Units	18.50	....
Lambton Loan & Savings	55.00	60.00
London & West. Trust	....	75.00
Mortgage Discount pfd.	1.85	....
Premier Trust	66.00	75.50
Provincial Bank	90.00	97.50
Security Loan & Savings	98.50	104.00
Sherbrooke Trust	100.00	112.00
Sterling Trust	50.00	56.50
Traders Finance com.	....	.80
Traders Finance 7% "A" pfd.	17.50	22.00
Trusts & Guar.	....	42.00
Victoria Trust & Savings	130.50	140.00
Waterloo Trust & Savings	100.00	110.00
Power Issues:		
B. C. Elect. Pwr. Gas pfd.	88.00	90.00
Calgary Power 6% pfd.	58.00	61.00
Can. Light & Power com.	14.00	20.00
Can. West. Nat. Gas LH&P com.	19.50	....
Can. West. Nat. Gas LH&P pfd.	60.50	62.50
Great Lakes Power 7% pfd.	....	64.50
Maritime Tel. & Tel com.	7.50	8.75
Maritime Tel. & Tel. 7% pfd.	10.25	11.75
N. B. Telephone com.	6.50	7.25
Nova Scotia L&P 6% pfd.	67.50	73.00
Recent London Quotations:		
Brewers & Distillers		4s.
Can. & For. sec.		3s. 9d.
Can. West. Lumber		9d.
Hudson's Bay		15s.
Do., 6% pref.		60s.
Internat. Holdings		[illegible]
Nfld. Pr. & Pap. deb. stock "B"		90½
Trust & Loan of Can.		9d.

Listed Bond Quotations

Week Ending March 13

	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1933 High	Range, 1933 Low
Montreal								
Abitibi, 1st mtg.§	5	1953	...	...	...	...	*46	19¼
Asbestos	5	1942	...	21	...	...	*65½	49
Asbestos, 1st mtge.	6	1941	...	5¼	...	...	*20	14
Do., gen. mtge.	6	1956	...	...	...	...	*9	...
Can. Cons. Rub.	6	1946	...	...	...	...	62	...
Can. Cottons	5	1940	...	...	...	...	*91	90
Can. Forgings	6	1942	...	...	...	...	*100	...
Can. Locomotive	6	1951	...	...	...	...	19¾	19¾
Can. Pr. (Laur.)	5½	1958	...	†6	...	...	*7	5
Do. (Way. Ser.)	5½	1958	...	...	...	...	*28½	5½
Can. S.S. Debs.	5	1943	...	...	...	...	*83¼	...
Cedars Rapids	5	1953	...	...	...	...	108	108
Dom. Canners	6	1940	...	...	...	...	‡103	...
Dominion Coal	5	1940	...	...	...	...	37	...
McNish	6	1948	...	1.05	...	...	1.50	1.00
Mex. L. & Pr.	5	1940	...	...	...	...	*73½	70½
Mtl. L.H.&Pr. debs.	3	1939	...	55	41½	41	43	39¾
Mont. Tr. 1st mtg.§	5	1941	5.38	...	...	...	98½	97
Mont. Trams. "A"§	5	1955	7.47	...	...	...	77⅝	72½
Do., G. & Ref. "B"	5	1955	7.47	...	...	...	73½	...
Do., "C"	4½	1955	...	...	...	...	*77¼	77
Do., "D"	5	1955	7.14	...	...	...	77⅝	76¼
N.S. Steel	5	1959	...	†78	...	...	*62¾	59
Ontario Steel	6	1943	...	80	...	...	*100½	...
Porto R. Pr.	5	1936	...	...	...	...	*93	88
Steel of Canada§	6	1940	...	102	...	...	*102⅝	100
Wayagamack	6	1951	...	76½	...	...	*75	45
Winnipeg Elec.§	5	1935	...	...	...	...	*86	...
Toronto								
Canada Bread	6	1941	...	...	...	...	*101½	100
Steel of Canada§	6	1940	...	...	...	...	*102¼	...
Dominion Govt. Bonds (Montreal)								
War Loan§	5	1937	2.50	108.50	....	....	116.25	115.80
Victory Loan	5½	1933	4.67	100.30	100.35	100.30	100.75	100.30
Do.	5½	1934	4.45	101.25	....	....	102.60	101.35
Do.	5½	1937	3.70	107.25	....	....	110.25	110.00
Do., refund	4½	1940	4.65	98.50	....	....	101.25	100.75
Do., refund	5	1943	4.70	101.00	....	....	103.37	102.38
Do., refund	4½	1944	4.66	98.00	....	....	99.75	....
Do., refund	4½	1946	4.58	97.75	....	....	*96.25	91.50
Do., renewal	4	1952	4.60	90.75	....	....	93.25	91.63
Conversion Loan	4½	1956	4.60	97.00	....	....	98.50	97.00
Do.	4½	1957	4.78	95.50	....	....	98.25	96.00
Do.	4½	1958	4.64	96.10	....	....	99.37	97.80
Do.	4½	1959	4.66	97.00	....	....	100.15	97.50
Nat. Service Loan	5	1936	4.28	101.00	....	....	103.25	101.50
Do.	5	1941	4.99	100.75	100.75	....	103.75	100.75

†Latest ask ‡Quotations for 1930. *For 1931. *For 1932. None recorded in 1933 to date. §Payable in Canada and New York

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co., Canada Permanent Building, Toronto, Ont.
March 14, 1933

	Rate	Actual Maturity	Next Int. Date	Price	Yield
*Alberta	4½	1 Oct., 1958	1 Apr.	81.00	5.96
Alberta	5	1 July, 1943	1 July	89.00	6.46
Alberta	6	1 Mar., 1947	1 Sept.	97.00	6.33
*British Columbia	4½	1 Oct., 1953	1 Apr.	81.00	5.85
*British Columbia	5	15 Jan., 1948	15 July	93.00	5.70
British Columbia	6	15 Feb., 1947	15 Aug.	98.00	6.21
Manitoba	4	1 July, 1947	1 July	80.00	6.10
*Manitoba	5	2 Dec., 1959	2 June	88.00	5.90
Manitoba	6	1 Apr., 1947	1 Apr.	97.50	6.27
*New Brunswick	4	1 June, 1948	1 June	89.30	5.00
*New Brunswick	4½	15 June, 1936	15 June	99.85	5.00
New Brunswick	5½	1 May, 1950	1 May	102.00	5.32
*Nova Scotia	4½	15 Nov., 1948	15 May	97.00	4.77
Nova Scotia	5	1 May, 1943	1 May	101.50	4.81
*Ontario	4½	1 Sept., 1944	1 Sept.	100.00	4.50
Ontario	5	15 Oct., 1948	15 Apr.	102.00	4.81
Ontario	5½	1 Feb., 1947	1 Aug.	103.75	4.93
P. E. I.	4	1 Apr., 1939	1 Apr.	94.85	4.88
P. E. I.	6	1 May, 1947	1 May	109.15	5.10
*Quebec	4½	1 May, 1961	1 May	98.00	4.37
*Saskatchewan	4½	1 Sept., 1955	1 Sept.	79.00	6.25
Saskatchewan	5	1 Oct., 1950	1 Apr.	85.00	6.44
Saskatchewan	6	15 Mar., 1952	15 Mar.	92.00	6.74
*Newfoundland	5	31 Dec., 1952	30 June	65.00	8.73
*Newfoundland	5½	1 July, 1939	1 July	74.00	11.25
*Newfoundland	6½	30 June, 1936	30 June	75.00	....
Cities					
*Montreal	5	1 Sept., 1963	1 Sept.	102.35	4.85
*Toronto	4½	1 Jan., 1955	1 July	96.50	4.76
*Vancouver	5	15 Jan., 1970	15 July	85.20	6.00
Winnipeg	5	1 Mar., 1944	1 Sept.	90.15	6.25
*Edmonton	5½	1 Apr., 1947	1 Apr.	82.85	7.50
Calgary	5	1 Jan., 1943	1 July	79.60	8.00
Halifax	6	1 July, 1951	1 July	105.65	5.50
St. John	5	15 Dec., 1950	15 June	97.70	5.20
Regina	4½	1 July, 1950	1 July	71.00	7.30
Victoria	5	21 July, 1945	21 July	87.30	6.50
Quebec	5	1 June, 1948	1 June	101.50	4.56

* Payable in New York.

Winnipeg Stock Exchange

(Transactions for week to Mar. 10)

Div. Rate in $	Yield in %		Sales	High for week	Low for week	Close Mar. 10
..	..	Bobjo	100	.11	.11	.11
4	8	Can. Fire Insurance	21	50	50	50
..	..	Can. Pac. Rly.	200	11¼	11¼	11¼
..	..	Central Manitoba	2,700	.12	.10½	.12
..	..	Eldorado	100	1.25	1.25	1.25
..	..	North Star Oil, c.	40	1.25	1.25	1.25
6.50	15.3	Reliance Grain, pfd.	20	41	41	41
..	..	San Antonio	100	.80	.80	.80
1.25	11.6	United Grain Growers	16	10½	10½	10½

NEWS FROM
Canada's Capitals

A week-by-week summary from Ottawa and the provincial capitals of legislative developments of interest to business.

Dominion Parliament

OTTAWA.—Highlights of the week in Dominion Parliament were:

Wednesday, March 8. — Debate on second reading of the railway bill continued.

Senate: Rt. Hon. Arthur Meighen introduced the revised Canada Shipping bill. General A. D. McRae introduced legislation to legalize sweepstakes. Salary reduction bill and the amendment to the income tax affecting a reduction in the salaries of the military and the judiciary passed, Senate adjourned until Monday.

Thursday, March 9. — Rt. Hon. W. L. M. King speaking on the railway bill, outlined Liberal policy in an amendment declaring the bill be not proceeded with until the Commons has gone on record against amalgamation. Premier Bennett, in reply, announced a section forbidding amalgamation will be included in the bill.

Agricultural Committee: Enquiry into milk conditions at Montreal continued. Committee decided to consider taking evidence from producers in camera.

Friday, March 10.—Mr Speaker rules the Liberal amendment to the railway bill out of order and the debate on second reading continues.

Manitoba

WINNIPEG, March 6. — Provincial estimates showed that expenditure would be $14,831,000 while income would not be more than $12,500,000. Provisional deficit of $2,800,000 may be larger, it was stated. Gasoline prices attacked, member advocating unrestricted import from United States to lower prices. James Cobban, Conservative, proposed appointment of livestock commissioner to develop cattle exports to Great Britain through Hudson Bay. Dominion Government requested to give fullest possible consideration to Russian cattle deal.

March 7.—Bill reducing grants to hospitals passed.

March 8.—Call for further economy by Premier Bracken. Other political groups asked to co-operate. The Burnell scrip plan discussed by the house.

March 9.—Government asked to join in coal price enquiry with Dominion Government. Committee on agriculture heard representative of International Harvester Co. on question of why agricultural implement prices did not drop.

March 10.—Lieut.-Col. F. G. Taylor, K.C., urged government to tighten up system of auditing books of municipalities. Department of Agriculture activities survey by Minister of Agriculture. Agricultural committee continued enquiry into implement prices.

Alberta

EDMONTON, March 3.—"Modified Moratorium" bill given second reading. Bill will be in effect until permanent action can be taken regarding debt adjustment.

March 6.—Moratorium bill passed and assent of governor received. Law is designed to provide protection for debtor home-owners from creditors who would seize their property. Provincial lands and mines department make first move in economy drive by closing Portage La Prairie land agency.

March 7.—Unanimous vote in favor of urging Dominion Government to establish a board of investment control to supervise issuing of public securities issued by corporations. Advisory committee report to legislature urges national board to regulate relief administration. Proposal for removal of $3 base rate from provincial income tax voted down.

March 8.—Non-confidence vote during budget debate defeated 34 to 14.

March 9.—House committee on agriculture heard alternative plan for Turner Valley gas conservation. Proposal would put field in hands of government and allow only 3,000,000 ft. per day. Life of 12 to 14 years could then be looked for, it was stated.

Saskatchewan

REGINA, March 6.—L. B. Thomson, Dominion cattle expert, gave evidence before agricultural committee. Stated security of land tenure was first necessity before any improvements could be made.

March 7.—Much talked of "Marriage Bill" announced. Under bill, bridegroom will require health certificate showing freedom from communicable disease. Provision will be made for civil marriages.

March 8.—Provincial budget passed by ten majority after heated attack by opposition.

March 9.—Hon. A. C. Stewart tabled two new debt bills, both designed to prevent seizure of land or crops or garnishee of wages without authority from the debt adjustment board.

Ontario

TORONTO, March 8.—Act to extend for another year 1932 Act providing relief from payment of mortgage principal introduced. S. C. Tweed's bill to restrict the use of second-hand materials in making mattresses sent to legal committee.

March 9.—Counter attack on Liberals by Hon. Leopold Macaulay occupied most of session.

March 10.—Announced that Northern Development budget would be cut between $2,500,000 to $3,000,000 to less than $5,000,000. Notice of bill to allow municipalities to raise taxes on chain store units by between 25 and 75 per cent filed with clerk.

March 13. — "Anti-Discrimination" bill receives support. Would prohibit signs barring any race from licensed premises.

New Brunswick

FREDERICTON.—New Brunswick is budgeting for a deficit of $87,171 for the present fiscal year ended Oct. 31, 1933. Hon. A. J. Leger, provincial secretary-treasurer, has submitted a budget to the Legislature with an estimated revenue of $5,632,689 and an estimated expenditure of $5,719,860. He declared no new taxation would be imposed in New Brunswick this year.

Expenditures will be some $400,000 less this year. Revenue estimate is about $670,000 less than that of 1931 and $143,381 less than revenue received in 1932. The most noticeable falling off in revenue is estimated in the stumpage returns which are expected to bring in $95,000 compared with $297,130 received last year. Liquor Control Board revenue is expected to be slightly higher at $975,000.

In reviewing revenue last year it was pointed out that returns had been some $993,000 less than anticipated. Largest failures were in automobile licenses, gasoline taxes, liquor control board and succession duties. Net debt New Brunswick was placed at $45,942,178.

Saskatchewan Debt Laws Restrict Legal Action

Apply to All Classes of Debtors; More Power Given Debt Adjustment Boards; Creditors' Position Weakened if Proposals Pass

From Our Own Correspondent

REGINA.—A new debt adjustment policy for Saskatchewan is now before the Legislature, embodied in two bills introduced by the Government, which contain drastic limitations upon the rights of creditors and convey very wide powers to the Debt Adjustment Board. It is expected that these bills will pass very much in the form in which presented, as they have been worked over in private by a special committee of the Legislature representing different parties. An opportunity, however, is to be given for representations from interests which desire to oppose them.

The Debt Adjustments Act is widened to take in every person who is a natural resident of the Province of Saskatchewan, or one who was a resident of the province and whose family have continued operations on the land in this province. Thus, retail merchants and other business men are brought under its operation, as well as farmers and home owners.

Can Prevent Foreclosure

Instead of the Debt Adjustment Board having power as formerly to intervene only upon application of a debtor, it is provided that before any legal action either by writ or summons can be taken against a debtor, the consent of the Debt Adjustment Board must first be obtained. Unless that consent is forthcoming no creditor in the province can proceed either to sue or to seize. It is contemplated that before giving authority for legal proceedings the Debt Adjustment Board will endeavor to negotiate settlement between debtor and creditor, on any type of agreement, mortgage, or other contract. The board then has power to make a recommendation as to payment to be made by the debtor which may include not only extension of time for payment, but also definite cancellation of some portion of the amount due.

The bill stops just short of power absolutely to compel cancellation of a portion of a debt, but provides that if the creditor does not accept the board's recommendation, it will have the right to stay all proceedings against the debtor, order him in possession of his land, and make orders as to the payment from rents and profits from land. A creditor will have the choice between accepting the recommendation of the board and waiting until the act shall cease to be in force for reassertion of his legal rights. In the meantime while the act is in force the Statute of Limitation will not run and debts will not be outlawed.

Has Three Commissioners

The Debt Adjustment Board is to consist of three persons, of whom the present commissioner, A. J. Hossie, is to be one, and two others are to be appointed by order-in-council. The board is to be assisted by persons to be appointed in each judicial district, this plan having been substituted for the original one of conveying debt adjustment powers to the district court judges. The bill also conveys power on the Lieutenant-Governor-in-Council at any time by proclamation to postpone payment of any debts in any part of the province, and to declare a moratorium in the case of any individual, or for the province generally.

The essential feature of the Debt Adjustments Act is that it conveys wide administrative powers to the Debt Adjustment Board and to the Lieutenant-Governor-in-Council. It is essentially general in its terms and applies generally to all debtors in the province, and covers both urban and city property. The second bill to limit civil rights is more specific in its application.

Vendors and mortgagees who hold crop share agreements are restricted during the life of the act to one-third share of the crop, out of which share current taxes are to be paid. Most share agreements which have been drawn on the one-third basis contemplate the vendor or mortgagee receiving his share free of taxes. The general effect is thus to transfer the tax burden temporarily from the farmer to the vendor or to the mortgagee, although this applies only to immediate income as the farmer would not be credited on his agreement with amounts diverted to taxes. It necessarily reduces to a large extent, and in cases will doubtless wipe out altogether, the net income by vendors or mortgagees while its provisions remain in effect. It is provided that the Debt Adjustment Commission may, upon application, increase to not more than one-half share of the crop payments to be made when the vendor or mortgagor supplies seed, threshing expenses, or twine.

Another clause provides that on any article sold since April 13, 1932, or thereafter sold, on which an unpaid balance is owing, the right of the vendor to recover will be restricted to repossession of the article sold. Previously he has had either or both the right of repossession and of suit. The bill also contains a number of clauses repealing sections of the civil law, which might have been in conflict with the intent of the Debt Adjustments Act as amended.

One objection made to the general principle of the bill is that it will make it easy for debtors who can pay to evade their obligations, as the debt adjustment machinery may very well become clogged up. Mortgage loaning institutions find the bills objectionable on three principal grounds.

1. The elimination of personal covenant from mortgages is regarded as a permanent impairment of the value of mortgage security, which, regardless of such losses as it may impose in connection with previous contracts, will make future lending improbable on either houses or farms.

2. The likelihood of diversion of funds available for payment of debts from secure to insecure creditors.

3. Removal of an incentive on the part of debtors to deal with mortgage holders so as to make feasible equitable adjustments in individual cases.

Doubts as to the province's constitutional right to enact some of the proposed provisions are now advanced to cover retreat from the most advanced provision formerly taken. One of the first sections likely to be abandoned is that conveying power to the debt adjustment board to impose alteration or cancellation of existing contracts, now regarded as harmful, not so much because of the extent of orders that might be issued, as because of the effect on opinion. Sections restricting the right of vendors of articles partly paid for to repossession, without any personal claim against the purchaser seem likely to be abandoned, under pressure from wholesalers and retailers. Many farmers have also let their members know that they object to the proposed legislation.

Sections restricting right to access to the courts are also likely to be modified, although the Government will strive to retain provisions making necessary the preliminary approval of the debt adjustment board before most actions can be undertaken. Abolition of the personal covenant in mortgages is somewhat more doubtful.

Mining Stock Quotations

Week Ending March 13

Par Val.	Range 1933 High	Range 1933 Low	Company	Sales	Close Mar. 6 (or last)	High for week	Low for week	Close Mar. 13
1	.05	.02	Abana	400	.04	.04	.02	.04
1	.01½	.00½	Aconda	......	.00¾	.....	.....	.....
No	*.15	.15	Aldermac	......	.....	.....	.....	.....
1	.03½	.01	Alexandria	15,000	*.02½	.02½	.02	.02½
No	.05½	.03	Algoma	78,000	.03	.03½	.03	.03
1	.01	.00½	Algonquin	7,000	.00½	.00¾	.00½	.00½
1	.01½	.00½	Amity C.	5,500	.01	.01½	.01	.01½
No	.25½	.10	Amulet	17,900	.15	.19	.15	.16
1	.01	.00½	Apex	15,000	.00¾	.00¾	.00½	.00½
1	.03½	.02	Area	2,000	.02	.02½	.02½	.02½
No	.04½	.01¾	Arno	117,100	.02½	.03½	.02½	.03
1	1.36	.74	Ashley Gold	4,255	1.05	1.25	1.00	1.20
1	.14	.02½	Bagamac	33,700	.08½	.09	.07½	.08½
1	.03	.00½	Baldwin	......	.00¾	.....	.....	.....
1	.20	.08	Barry Hollinger	43,275	.09	.15	.10	.15
No	1.00	.75	Base Metals	500	.80	.85	.80	.85
No	1.00	.98	Beattie	......	.98	.....	.....	.....
1	.21	.08	Big Missouri	10,870	.16½	.17½	.15	.16
1	.18	.08¾	Bobjo	33,900	.10½	.12½	.11	.11
1	.25	.15	Brett Trethewey	8,200	.16	.18½	.15	.15
1	.03½	.01½	Brownlee	29,700	.02½	.03½	.02½	.03½
1	.01	.00¾	Buckingham	......	.01	.....	.....	.....
No	.04½	.02½	Buffalo Can.	5,500	.03½	.04	.03	.03½
No	.02½	.01½	Bunker Hill	2,500	.02	.02½	.02	.02½
5s	.65	.60	B'Wana McKubwa	......	.65	.....	.....	.....
No	.04	.03	Canam Metals	......	.03	.....	.....	.....
1	.12½	.03	Can. Kirkland	14,200	.05½	.08	.05½	.07
1	.01	.00½	Capital Rouyn	2,000	.00¾	.00¾	.00¾	.00¾
1	.03½	.01½	Cartier Malartic	500	.01½	.01½	.01½	.01½
1	.30	.15	Castle Trethewey	47,150	.25	.27	.24½	.24½
1	.15	.06	Cen. Manitoba	2,150	.10	.12	.10½	.12
1	.28	.17	Cen. Patricia	7,300	.20	.23½	.21	.21½
No	.11	.03	Chibougamau Pros.	14,450	.08	.10	.07	.07
.	.10½	.08	Church. M. & Mill	......	.08	.....	.....	.....
No	.02¾	.00¾	Clericy	8,000	.01½	.01½	.01	.01
.	.01½	.01	Clifton Cons.	......	.01	.....	.....	.....
5	3.00	1.65	Coast Copper	1,535	2.50	2.90	2.50	2.90
1	.02½	.00½	Cobalt Contact	13,000	.02	.02½	.02	.02
1	.11	.06½	Columario	5,000	.07	.07½	.06½	.07½
5	1.05	.75	Coniagas	......	.75	.....	.....	.....
No	.45	.20	Coniaurum	1,150	.33	.35	.30	.30
25	68.00	54.00	Cons. Smelters	8,612	59.50	68.00	59.50	67.00
No	18.50	13.60	Dome Mines	6,536	13.90	15.60	14.25	15.25
No	.05½	.03¾	Dom. Explorers	500	.04½	.04	.04	.04
1	.01	.00½	Dominion Kirk	......	.01	.....	.....	.....
1	.04	.02	Don Rouyn	3,000	.03½	.02	.02	.02
1	.04½	.02	Duparquet	......	.03½	.....	.....	.....
1	1.61	1.16	Eldorado	25,585	1.34	1.48	1.35	1.39
No	2.65	1.80	Falconbridge	17,780	2.35	2.65	2.30	2.60
1	.02¾	.01	Federal	......	.01½	.....	.....	.....
No	.02½	.01½	Flintoba	......	.02½	.....	.....	.....
No	.02½	.01	Gilbec	35,500	.01½	.02½	.02	.02½
1	.07	.04	Goldale	3,500	.06	.05½	.05½	.05½
10	.15	.10	Goldfield	......	.10	.....	.....	.....
1	.00¾	.00½	Gold Hill	26,000	.00½	.00¾	.00½	.00½
.	.01½	.01	Gold Reef	......	.01	.....	.....	.....
1	.04½	.02	Goodfish	......	.03	.....	.....	.....
1	.03½	.01½	Graham	......	.01½	.....	.....	.....
1	1.95	1.19	Granada	29,660	1.30	1.43	1.27	1.28
1	.08	.06	Groselle	......	.07	.....	.....	.....
1	.25½	.24	Halcrow Swayze	2,000	.24½	.25	.24	.24
1	.04½	.02	Harker	13,000	.03½	.04	.03½	.03½
1	.01½	.00¾	Hilltop	1,500	.00¾	.00¾	.00¾	.00¾
5	8.75	6.00	Hollinger	15,820	6.50	7.25	6.45	7.00
1	.95	.61	Howey Gold	70,450	.64	.72	.62	.67
No	4.25	3.10	Hudson Bay	1,285	3.40	3.90	3.40	3.90
No	.40	.25	Huronian	40	.38	.40	.40	.40
No	10.37	8.00	Int. Nickel	46,533	9.00	9.87	8.75	9.75
1	.02	.00½	Jackson Manion	2,000	.01½	.01½	.01½	.01½
1	.25	.20	Keeley	......	.22	.....	.....	.....
1	.02	.01	Keora Mines	3,000	.01½	.01	.01	.01
1	.76	.55	Kirk. Hud. Bay	3,050	.68	.60	.55	.55
1	.02¾	.00½	Kirk. Hunton	15,000	.00½	.01	.00¾	.00¾
1	.52	.30	Kirkland Lake	26,050	.33	.39	.32	.34
1	.03	.01½	Kirkland Premier	16,289	.02	.02½	.02	.02½
1	.22½	.12½	Kirk. Townsite	11,900	.13½	.15	.12½	.14
20c	.01½	.00½	Koot. Florence	5,500	.00¾	.00¾	.00¾	.00¾
1	*.01½	.01½	La Rose	......	.....	.....	.....	.....
1	.35	.18	Lakeland	500	.18	.20	.20	.20
1	.18	.08	Lake Maron	9,500	.16	.16½	.13	.15
1	40.00	30.75	Lake Shore	7,202	31.60	35.00	31.50	32.75
1	.06½	.02½	Lebel Oro	92,000	.05	.06½	.04½	.06½
1	.36½	.20	Macassa	79,450	.25	.31½	.26	.30½
1	.09½	.05	Malartic	70,550	.06	.09½	.05	.08½
1	.02½	.01	Malrobic	9,000	.01½	.01½	.01	.01½
No	.08	.03½	Mandy	500	.03½	.03½	.03½	.03½
No	.03	.01½	Manitoba Basin	16,000	.01¾	.01¾	.01½	.01¾
5	27.60	21.20	McIntyre	4,630	21.50	24.25	22.00	23.25
1	.50	.30	McKinley	25	.45	.40	.40	.40
No	.08	.02½	McLeod River	334,000	.04	.05½	.04	.05½
1	.07½	.03	McMillan	......	.09	.....	.....	.....
No	.75	.46	McWatters	8,485	.51	.59	.50	.53
1	.32	.15	McVittie	28,000	.25½	.28	.25	.26
5	1.00	.06	Mentor Exp. & Dev.	300	.35	1.00	.50	1.00
No	1.80	1.20	Mining Corp.	22,695	1.39	1.50	1.32	1.41
1	.03	.01¾	Moffatt Ha'l	22,500	.02½	.02½	.02	.02
1	.06½	.02	Moneta	......	.04	.....	.....	.....
1	.40	.12	Moss	117,100	.18	.18	.12	.13
1	.02½	.00¾	Murphy	......	.01½	.....	.....	.....
No	.05	.02½	Newbec	2,500	.03	.03½	.03½	.03½
1	.06	.01½	Night-Hawk Penn.	3,050	.03½	.04	.04	.04
5	1.95	1.15	Nipissing	10,680	1.70	1.85	1.55	1.65
No	25.50	19.75	Noranda	19,806	20.75	24.00	21.00	23.35
No	.52	.32½	Nor. Canada	9,900	.38	.44	.35	.38
No	.22	.20	Normont Hold.	8,100	.21½	.22	.21	.21
No	.02¾	.01	Old Colony	96,035	.01¾	.02½	.01½	.01½
1	.14	.05	Osisko	3,100	.07	.10	.08	.09
1	.21	.11	Parkhill	71,300	.16	.21	.16½	.20
1	.03½	.01½	Pawnee Kirk	2,000	.02½	.02½	.02½	.02½
1	.75	.54	Pend Oreille	6,760	.58	.75	.55	.65
1	.01½	.00½	Peterson Cobalt	3,500	.01½	.01½	.01½	.01½
1	6.15	4.30	Pioneer Gold B.C.	4,665	5.35	5.80	5.50	5.60
1	.01½	.01	Porcupine Crown	......	.01½	.....	.....	.....
1	.00¾	.00½	Potter Doal	......	.00½	.....	.....	.....
1	*.12	.12	Powell Rouyn	......	.....	.....	.....	.....
1	.82	.60	Premier Gold	10,700	.72	.75	.71	.75
1	.02½	.01	Preston E. Dome	10,000	.01½	.01½	.01	.01
No	.95	.71	Prospectors Air's.	100	.90	.71	.71	.71
No	*1.00	1.00	Quebec Pros.	......	.....	.....	.....	.....
No	.15	.03	Quemont	820	.05½	.10	.06	.10
1	.02½	.00½	Ribago	25,500	.00¾	.00½	.00½	.00½
1	.03	.01½	Ritchie	10,500	.01½	.01½	.01½	.01½
1	.04	.01	Robb Montbray	......	.02	.....	.....	.....
1	1.21	.75	San Antonio	18,584	.75	.92	.82	.82
1	.03	.03	Seven Troughs	......	.03	.....	.....	.....
1	.48	.33	Sherritt Gordon	36,585	.38	.48	.38	.48
1	1.77	1.25	Siscoe	76,250	1.35	1.46	1.36	1.40
1	.10¾	.05	South Keora	2,000	.06	.05	.05	.05
No	.06	.01¾	Stadacona	143,135	.03¾	.04½	.03½	.03¾
1	.14	.07	St. Anthony	2,000	.07	.09	.08	.09
No	1.07	.60	Sudbury Basin	61,955	.80	1.07	.80	.99
1	.03	.00¾	Sudbury Contact	3,000	.02	.02	.02	.02
1	.01½	.00½	Sudbury Mines	4,500	.00¾	.00¾	.00¾	.00¾
1	.38½	.20	Sullivan	18,350	.27	.32	.27	.30
1	1.21	.72	Sylvanite	41,450	.80	.94	.80	.85
1	.08½	.01½	Tashota	21,500	.02	.02½	.01½	.02
.	.18½	.15½	Tashota Goldfield	......	.18½	.....	.....	.....

Par Val.	Range 1933 High	Range 1933 Low	Company	Sales	Close Mar. 6 (or last)	High for week	Low for week	Close Mar. 13
1	5.10	3.70	Teck Hughes	27,352	3.85	4.24	3.90	4.01
1	.10	.04½	Thom. Cadillac	500	.06	.06¾	.06¾	.06¾
1	.16½	.10	Towagmac	2,000	.14	.14½	.14	.14½
1	2.00	1.10	Treadwell	100	1.55	1.50	1.50	1.50
1	.08	.04	United Kirkland	4,000	.07½	.08	.04	.04
No	.06½	.02½	Vacuum Gas	26,000	.02½	.03¾	.02½	.03
No	2.40	2.30	Venezuela Gold	......	2.35	.....	.....	.....
No	1.28	.80	Ventures	80,415	1.00	1.07	.99	1.01
1	.22	.09	Vickers	13,300	.18	.18	.17½	.18
1	.41½	.20	Vipond	6,850	.30	.38	.30	.36
No	.60	.35	Waite Ackerman	700	.35	.52	.42	.50
1	.04½	.03½	White Lake	500	.03½	.04	.04	.04
1	.08	.02	Wiltsey Coughlan	8,500	.07½	.07	.06	.06
1	.12	.07	Wood Kirkland	1,000	.09½	.07	.07	.07
No	5.05	3.73	Wright-Hargreaves	43,135	3.90	4.40	3.95	4.20
			OIL STOCKS					
No	.12	.08	Acme Gas & Oil	9,300	.08	.08½	.08	.08½
1	.82	.60	Ajax	5,700	.65	.65	.60	.62
1	.10	.05	Alta. Pacific	600	.10	.10	.09	.10
1	.07½	.06½	Amalgamated	34,000	.....	.07½	.06½	.06½
No	.07	.04½	Associated	20,000	.05½	.06	.05½	.05½
No	.02½	.01	Baltac	1,000	.02	.01½	.01½	.01½
1	*.05	.02½	Brit. Dominion	......	.03½	.....	.....	.....
No	.35	.25	Calgary & Ed.	200	.33	.33	.33	.33
1	.05	.04	Calmont	500	.04½	.04	.04	.04
1	.06	.04	Common. Pete.	......	.06	.....	.....	.....
No	.20	.05	Dalhousie	......	.05	.....	.....	.....
No	.02	.02	Devenish	......	.02	.....	.....	.....
No	*.02	.00½	Dome Oil	......	.....	.....	.....	.....
No	.07	.05½	East Crest	1,000	.06	.05½	.05½	.05½
.	.25	.25	Erie Gas	......	.25	.....	.....	.....
No	*.01½	.01	Fabyan Pete	......	.....	.....	.....	.....
No	*.25	.05	Foothills	......	.....	.....	.....	.....
No	.05½	.04	Freehold	4,000	.....	.05½	.05½	.05½
1	*.02	.00½	Great West	......	.....	.....	.....	.....
No	*.06½	.03	Hargal	......	.....	.....	.....	.....
No	*.05	.02	High Sarcee	......	.....	.....	.....	.....
No	.45	.30	Home	100	.43	.40	.40	.40
No	*.05	.01½	Homestead	......	.....	.....	.....	.....
1	.20	.10	Homest'd O. & G.	200	.12	.10	.10	.10
1	*.01	.00½	Illinois Alberta	......	.00½	.....	.....	.....
No	*.02½	.00½	Lethbridge	......	.....	.....	.....	.....
No	*.10	.04	Lowery	......	.....	.....	.....	.....
No	*.02	.00½	Madison	......	.....	.....	.....	.....
1	.21	.14	Mayland	......	.20	.....	.....	.....
No	*.04	.01½	McD. Segur Ex.	......	.....	.....	.....	.....
1	*.04	.01	McD. Segur N.	......	.....	.....	.....	.....
1	*.50	.18	McLeod	......	.....	.....	.....	.....
No	.09½	.07½	Mercury	1,600	.....	.08	.07½	.08
No	.16	.13½	Merland	1,000	.14	.14	.14	.14
No	*.15	.08½	Mill City Pete.	......	.....	.....	.....	.....
1	.16	.12	Model	2,600	.....	.16	.12	.15
1	*.05	.04	Monalta	......	.....	.....	.....	.....
1	*.07	.03	Moose Mountain	......	.....	.....	.....	.....
1	*.01	.01	New Federal	......	.....	.....	.....	.....
5	.20	.09	Nordon	1,800	.10	.10	.09	.10
1	.04	.02½	Oil Selections	77,500	.03	.03½	.03	.03
No	.06	.05½	Okalta	......	.05½	.....	.....	.....
No	.31	.20	Olga Gas & Oil	24,300	.29	.30½	.29	.29½
No	.03½	.01½	Penn. Pete	24,500	.02	.03	.01½	.01½
1	.17	.15	Petrol Oil & Gas	500	.16	.16½	.16½	.16½
No	*.14	.08	Ranchmen's	......	.....	.....	.....	.....
1	*.01	.00½	Regent	......	.....	.....	.....	.....
No	*.02½	.01	Richfield	......	.....	.....	.....	.....
No	7.10	6.00	Royalite	185	6.50	6.50	6.50	6.50
1	.11	.06	Sarnia Oil	2,200	.07	.07½	.06	.07½
1	*.03	.01	Signal Hill	......	.....	.....	.....	.....
No	.07	.04	South West Pete.	......	.05½	.....	.....	.....
1	*.30	.10	Spooner	......	.....	.....	.....	.....
No	.14	.12	Sterling Pacific	400	.12	.14	.14	.14
.	.43½	.43	Trinidad Oil	......	.43½	.....	.....	.....
1	*.11	.07½	Turner Valley	......	.....	.....	.....	.....
No	.08	.03	United	......	.03	.....	.....	.....
1	*.09½	.03	Vulcan	......	.....	.....	.....	.....
No	.01	.00½	Wainwell	......	.00½	.....	.....	.....
			VANCOUVER STOCK EXCHANGE (Transaction for Week to March 8)					
25c	*.00½	.00½	Bayview	......	.....	.....	.....	.....
1	.70	.60	B. C. Silver	......	.70	.....	.....	.....
20c	.05½	.02½	Beaver Silver	5,000	.04	.04	.04	.04
25c	.03	.02½	Bluebird	......	.03	.....	.....	.....
No	2.40	1.38	Bralorne	37,640	2.05	2.40	2.05	2.32
1	.10½	.05	Bridge River Cons.	230,800	.07	.10½	.06¾	.09½
100	89.00	89.00	B. C. Electric, pref.	5	.....	89.00	89.00	89.00
1	2.85	2.00	Caribou Gold	11,035	2.40	2.55	2.30	2.30
No	7.50	5.60	Coast Breweries	20	6.75	6.50	6.50	6.50
25c	.01	.00½	Cork Province	1,000	.01	.01	.01	.01
1	.02½	.02½	Cotton Belt	......	.02½	.....	.....	.....
1	.04	.00½	Dalhousie Mines	1,000	.04	.03	.03	.03
1	.40	.28	George Copper	600	.40	.30	.28	.28
50c	*.02	.01	Geo. Enterprise	......	.....	.....	.....	.....
1	.03	.02½	Georgia River	23,000	.02½	.03½	.02½	.03½
1	.20	.16	Golconda	......	.20	.....	.....	.....
50c	.04½	.03½	Grandview	4,700	.04	.04½	.03½	.04½
1	*.01	.00¾	Independence	......	.....	.....	.....	.....
1	.01½	.01	Indian Mines	2,000	.01	.01½	.01½	.01½
1	.11	.08½	Inter. Coal	300	.08½	.08½	.08½	.08½
1	*.21	.21	Jack Waite	......	.....	.....	.....	.....
25c	.00½	.00½	Kootenay King	2,000	.....	.00½	.00½	.00½
10c	.02	.01	Lucky Jim	25,500	.01½	.01½	.01	.01½
5c	*.12	.04	Metaline Metals	......	.06	.....	.....	.....
1	.00½	.00½	Morton Woolsey	125	.....	.00½	.00½	.00½
50c	.03	.00¾	National Silver	73,000	.02½	.03	.02½	.03
50c	.06½	.02½	Noble Five	39,900	.05½	.06½	.05½	.06½
50c	.01	.01	Oregon Copper	......	.01	.....	.....	.....
1	6.10	4.30	Pioneer Gold	6,749	5.85	6.10	5.40	5.75
50c	.08½	.04½	Porte Idaho	31,500	.06¾	.08½	.06¾	.08½
No	.00¾	.00½	Premier Border	......	.00¾	.....	.....	.....
No	.20	.15	Reeves McDonald	50	.15	.18	.18	.18
1	.77	.60	Reno Gold	38,270	.65½	.66	.60	.63
1	.02½	.02½	Rufus Argenta	......	.02½	.....	.....	.....
1	.03½	.02½	Ruth Hope	......	.03	.....	.....	.....
1	*.05	.02	Silverado	......	.....	.....	.....	.....
25c	.04½	.01	Silver Crest	180,700	.03½	.04½	.03½	.04½
50c	.01½	.01	Snowflake	15,500	.01	.01	.01	.01
1	.25	.25	Sunloch	......	.25	.....	.....	.....
No	*.06	.05	Vanalta	......	.....	.....	.....	.....
20c	*.02½	.01	Wellington	......	.01	.....	.....	.....
1	.04½	.03	Whitewater	13,400	.03½	.04½	.04	.04½

*Quotations for 1932. No sales recorded in 1933 to date.

DIVIDEND PAYERS

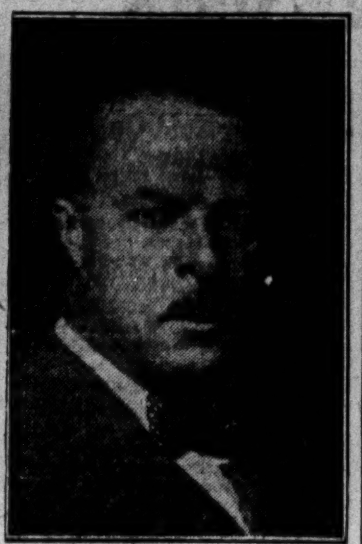
Company	Rate	Yield %	Company	Rate	Yield %
Ajax Oil	12c.	....	Merland Oils†	2½c.	....
Coniagas‡	12½c.	....	Noranda	$1.10	....
Coniaurum†	3c.	....	Petrol Oil	2c.	....
Cons. Smelters*	10%	....	Premier	12c.	16.00
Dome Mines	$1+30c.	8.52	Pioneer, B.C.	24c.	4.28
Falconbridge	10c.	....	Royalite	$1.50	....
Hollinger	65c.+10c	10.71	Siscoe	12c.	8.57
Howe Sound	40c.	....	Sterling Pacific Oil†	2½c.	....
Lake Shore	$2+$1	9.16	Sylvanite	4+1c.	5.88
McIntyre	$1.50	6.45	Teck Hughes	60c.	14.96
McLeod Oils‡	5c.	....	Wright-Har.	20c	4.76

*Stock. ‡Interim. †Initial.

New President

MORLEY SMITH
Elected to succeed the late W. J. Pentland as president of Dominion Stores Ltd.

Adds to Duties



W. FREDERICK STEWART
Appointed secretary-treasurer of Dominion Stores Ltd., was formerly secretary of the company.

Head of Dominion Stores Has Earned New Position

Morley Smith Has Been With Company Since Its Inception—Legally Trained, He Has Had Experience in All Phases of the Company's Business

Election of Morley Smith to the presidency of Dominion Stores Ltd. to succeed the late W. J. Pentland, gives to shareholders the assurance that the policies that have guided this company to an eminent position in the chain store field will be continued by a sound administrator who has been connected with the company since its inception. Other changes announced, following the company's annual meeting, are the appointment of W. Frederick Stewart, formerly secretary, to the dual position of secretary-treasurer; the election of W. S. Kies as chairman of the board of directors and of George Armstrong, New York City, as a director. E. Gordon Wills, senior member of the Toronto stock brokerage firm of Wills, Bickle & Robertson, succeeds Mr. Smith as vice-president.

Morley Smith is no stranger to the duties which he assumes as the new president of Canada's largest chain store company. Since the inception of the company in 1919 he has been closely in touch with and an integral part of the management which in the course of 12 years built up a chain of nearly 600 food stores operating throughout eastern Canada. Mr. Smith brought to the organization a brilliant mind, legally trained. First as secretary, latterly as treasurer and vice-president, in charge of buying, he has had first-hand experience in the management of a great merchandising unit which now has 518 outlets.

His Keynote is Restraint

The new president of Dominion Stores is restrained in every action. He gives no snap judgments but when his decision is made it is fair and unbiased. He holds the respect and regard of his business associates and his employees as well as those of his business competitors. He applies keen foresight to his business and has good "business courage." While firm in his convictions he is not regarded as stubborn. Such action as he may take as the president of Dominion Stores Ltd. will be thoroughly considered, and there will be no spectacular but vain business forays that shareholders will rue.

Mr. Pentland, prior to his recent death, was closely in touch with the management of the company's stores. Mr. Smith will take over these duties with which he is not unfamiliar. So far, in 1933 the company has closed 16 stores and additional stores will be closed before the year ends. Other stores will be opened as local conditions seem to warrant. Mr. Smith expects to get closely in touch with managers of the company's stores. He is a firm believer in the value of conferences of managers in which problems of management, of sales promotion and of securing and retaining the goodwill of the public can be discussed.

Is Brilliant Student

Morley Smith was born at Currie's Crossing, five miles south of Woodstock, in Oxford county, Ontario. He went to a country school, then to Woodstock Collegiate. He was a country schoolmaster for six years, a university education his goal. At Victoria College he had a brilliant career, finishing an honor course in political science with honors and scholarships in each year. Had this been all, the record would have been imposing but in a variety of non-academic activities he took a leading part. In sports, soccer, in collegiate journalism and in social activities he made his mark and in his final year he was elected the best all-round man in his class.

The legal profession called Mr. Smith and he entered Osgoode Hall, Toronto. As a law student with the firm of Osler, Hoskin and Harcourt he specialized in company law but found time to work for and obtain an M.A. degree. Finishing his law course he was called to the bar with honors and then continued his association with the Osler firm. Shortly after joining the firm he enlisted with the University Officers' Training Corps but proceeded overseas as a private with the First Canadian Tank Battalion. After two years of service he was back in Canada in 1919, the year in which W. J. Pentland came to Canada to form a chain of grocery stores along the lines of those operated in the United States by the Great Atlantic & Pacific Tea Co. with which he had been associated.

The firm of Osler, Hoskin & Harcourt was doing the legal work in connection with the formation of the proposed new chain. To Mr. Smith, on his return from England, were given the duties of incorporating the company. This done, he carried on as a director and secretary of the company until in 1923 he was offered and accepted the opportunity of giving his full time to Dominion Stores Ltd. The decision to leave the practice of law for the chain store field was made at a time when chain stores were beginning to expand rapidly in Canada. Mr. Smith's legal talents strengthened the management of the company while he in turn derived knowledge and experience from men who had had wide experience in chain store management. In 1928, Mr. Smith relinquished the duties of secretary and became treasurer of the company. In 1929 he became vice-president and for three years has been in charge of merchandising for the company. Mr. Smith's experience, therefore, embraces the entire period since the war; a period in which existing food chains were started in a small way, grew slowly at first and then expanded rapidly until peak sales were reached in 1931. The subsequent period of declining sales and profits has brought problems which Mr. Smith is not ill-equipped to combat.

W. Frederick Stewart has been secretary of the company since 1928 and again succeeds Mr. Smith in adding to his duties those of treasurer, within a few days of his 35th birthday. Mr. Stewart became connected with Dominion Stores Ltd. in 1924 as assistant to the secretary after a broad banking experience interrupted only by military service with the Canadian Flying Corps. In October, 1929, he was elected a director of the company.

SASK. HAS BILL TO CONSOLIDATE TAX ARREARS

Applies to Rural Municipalities; Spread Over Five Years

From Our Own Correspondent

REGINA. — The Saskatchewan Legislature is considering a bill which provides for the consolidation of tax arrears. It is to apply to all rural municipalities, unless before July 15 next any municipality votes itself out of the application of the scheme. In cities, however, it will apply only if specifically voted in by citizens. The consolidation is to include all taxes up to the end of 1932 which must be in arrears for at least two years before they can be consolidated.

The owner of any piece of land may make application before Sept. 1, 1933, to have his taxes consolidated, provided he lives in a municipality which takes advantage of the scheme. Payments under consolidation are to be made 10 per cent at the date of execution of the agreement, with no interest, 10 per cent on or before Dec. 1, 1934; 15 per cent on or before Dec. 1, 1935; 20 per cent on or before Dec. 1, 1936; 25 per cent on or before Dec. 1, 1937; and 30 per cent on or before Dec. 1, 1938.

A consolidation agreement will serve to end the tax sale proceedings provided the taxpayer keeps up his payment of current taxes in addition to the installments on arrears provided for. Default in the agreement means that the land will be forfeited to the municipality after a period of 18 months grace. In cases of consolidation of arrears of taxes, penalties already accrued on account of delay must be absorbed to the extent of 50 per cent by the municipality, and the taxpayer must take care of the remainder.

P. E. I. Deficit Reduced in 1932 Debt Increased

Prince Edward Island, had a deficit of $67,530 on current account in the year ended December 31, 1932, which compares with an estimated surplus of $2,406 and a deficit in 1931 of $303,621. Current revenue was $1,206,026 which is only $3,850 below estimated revenue for the year but current expenditures at $1,277,401 exceeded estimates by $70,000.

Liabilities of the province increased by $290,097 during the year and at December 31, 1932 the province had net funded debt of $2,889,357 and short-term loans of $742,981, a total of $3,632,338. This compares with $3,342,242 at the end of 1931. During 1932, the province sold $1,400,000 of debentures.

Charles Gurd Defers Common Dividend Action

From Our Own Correspondent

MONTREAL.—Directors of Charles Gurd and Co. have deferred action on the common stock dividends until the board meets early in April. The last dividend declared on the common was a disbursement of 15 cents a share, payable January 7 last. Regular dividends on the preferred have been maintained.

Net profits in 1932 were sufficient to cover preferred dividends and were equal to 13 cents a share on the common. After payments amounting to $1.20 a share there was a deficit for the year of $64,005.

Acadia Apartments Defers Bond Interest

From Our Own Correspondent

MONTREAL.—Interest due March 1 on the 6½ per cent first mortgage bonds of Acadia Apartments has not been paid. A letter is going forward to bondholders shortly but details of plans for the future have not yet been made public.

The company operates a 57-suite apartment building in Montreal. Capital structure comprises $850,000 of 6½ per cent first mortgages; $150,000 of 7 per cent general mortgage bonds; $400,000 of preferred stock and $200,000 of common stock.

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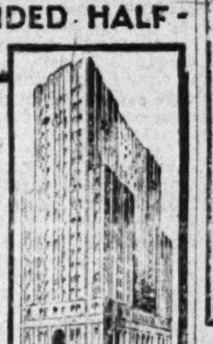

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Canadian Mining News

International Nickel Reports Upward Turn In Profits at Year End

Net Profits in Last Quarter Were $157,008, While Operations for Full Year Incurred a Loss of $135,345 After Reserves Totalling $3,488,745

OPERATING EFFICIENCY HIGHER, COSTS LOW

Nickel Sales Down 38 Per Cent But Deliveries of Nickel, Both Domestic and Foreign, Record Improvement in Third Quarter of 1932 — Cash Position Stronger

Annual report of the International Nickel Co. of Canada for the year ended December 31, 1932, reflects an upward turn in the affairs of the company during the third and fourth quarters with an improvement in nickel sales and consequent earnings. In the three months ended December 31, 1932, a net profit of $157,008 was reported after all write-offs and reserves. For the full year, however, a loss of $135,345 was shown after provision for interest on funded debt, depreciation, depletion and reserves totalling $3,488,745. This compares with a net profit of $5,094,497 in 1931. Preferred dividends totalling $1,933,909 reduced the earned surplus of the company to $14,688,560 as compared with $16,757,814 at the end of 1931.

The following tabulation shows the consolidated income and surplus account for the past two years:

Cons. Income and Surplus Acct. Years Ended Dec. 31

	1932 $	1931 $
Earns. from all prop.*	4,473,914	10,556,001
Less:		
Gen. office exp.	1,006,853	1,328,206
Reserve for taxes	139,401	507,278
Net oper. profit	3,327,660	8,720,517
Add: Other inc.	35,740	499,792
	3,363,400	9,220,309
Less:		
Deprec. & deplet.	2,763,438	3,010,477
Retire. & insur. res.	398,418	675,979
Int. paid & accr.	336,889	439,356
Net profit	†135,345	5,094,497
Less appropriations:		
Preferred divds	1,933,909	1,933,938
Common divds.	......	6,560,468
Surplus for year	†2,069,254	†3,399,909
Add: Prev. surplus	16,757,814	20,646,169
Less: Foreign exch.	......	342,363
Canadian taxes	......	146,083
Balance forward	14,688,560	16,757,814

†Deficit.
*After deducting manufacturing, selling expense, ordinary repairs and maintenance.

Earnings per Share and Dividend Record:		
Preferred: Earned	nil	18%
Paid	7%	7%
Common: Earned	nil	$0.22
Paid	nil	0.45
Shares Outstanding:		
Preferred	27,627,825	27,627,825
Common	14,584,025	14,584,025

In spite of a difficult year for the nickel-copper industry, resulting in a loss being shown, the liquid position of the company showed an improvement. Current assets totalled $28,870,845 while current liabilities totalled $3,012,483 leaving a net working capital of $25,857,370. This compares with $25,450,643 as at December 31, 1931. Another reassuring feature of the financial statement was that the current assets included cash and securities as at December 31, 1932, of $5,793,100 as compared with $3,112,020 at the end of the previous year. This is explained in part as due to the liquidation of inventories and accounts receivable and to the relatively small capital expenditures made during the year. Inventories of metals and supplies were shown at cost or market, whichever was the lower, at $20,623,390 as compared with $21,492,936 in the previous year.

Efficiency Increased

In order to maintain its financial position drastic retrenchment was effected throughout all branches of the company's activities, coincident with increased efficiency making for lower cost operations.

Sales of nickel in all forms, including nickel in alloys, amounted to 34,406,953 pounds, compared with 55,739,047 pounds in 1931, a decrease of 38 per cent. The world's consumption of nickel in all forms aggregated 57,000,000 pounds compared with 73,000,000 pounds in 1931 and 88,000,000 pounds in 1930.

Sales of "Monel Metal," a nickel-copper alloy made direct from Creighton ore, totalled 7,624,298 pounds compared with 13,158,745 pounds in 1931, a decrease of 42 per cent; and sales of rolled nickel, 3,938,782 pounds, were off 4 per cent.

Copper sales, inclusive of copper sulphate produced in Wales, decreased from 96,919,677 pounds to 57,662,789 pounds, or 41 per cent.

Gold sales were 23,042 ounces, compared with 23,384 ounces; silver sales 652,638 ounces compared with 822,983 ounces; and sales of platinum metals, 19,300 ounces compared with 51,585 ounces.

Production Tempo Low

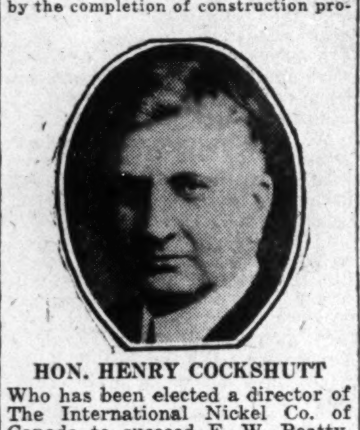
That the tempo of production operations was tuned to consumption requirements is confirmed by the inventory statement. Most phases of the company's operations reflected curtailed production.

The following summary gives comparative operating figures for the past two years:

Summary of Operations

	1932	1931
Ore hoisted, tons:		
Garson mine	56,028	209,983
Creighton mine	96,850	301,394
Frood mine	513,590	1,068,978
Total ore mined	666,468	1,580,355
Ore concent. & smelted at Copper Cliff, tons	579,640	1,347,722
Ore smelt. at Coniston, tons	90,606	427,717
Total ore concent. & smelted, tons	660,246	1,775,439
Bessemer matte made at Copper Cliff, tons	27,033	72,747
Bessemer matte made at Coniston, tons	9,679	23,168
Total matte made, tons	36,712	95,910
Ni. cont. of matte made, tons	13,237	38,074
Cu. cont. of matte made, tons	11,716	37,778
Blister copper prod., tons	30,019	50,701
Matte treated in Canada, tons	6,651	69,215
Matte exported, tons	16,831	26,017
Gold recov., oz.	23,031	23,381
Silver recov., oz.	667,620	822,971
Platinum metals recovered, oz.	55,709	91,644
Total value of precious metals recov., $	2,613,814	2,812,834
Ni. refined, Pt. Colborne, lbs.	14,125,388	31,877,340
Ni. refined, Clydach, lbs.	7,416,464	16,546,740

Notwithstanding the drastic reduction in metals produced the number of employees totalled 4,342 of which 1,402 were in Canada, 2,086 in Great Britain, 813 in United States and 41 in other countries. While this is a decrease of 28 per cent from the previous year it is accounted for in part by the completion of construction programmes. Operating schedules were revised in order to spread employment to the largest number, aiding appreciably the efforts of relief organizations.



HON. HENRY COCKSHUTT
Who has been elected a director of The International Nickel Co. of Canada to succeed E. W. Beatty, K.C., resigned.

Capital Expenditures $535,652

Capital expenditures during the past year totalled $535,652 as compared with $4,679,435 in 1931. The Frood mine accounted for $199,236; the Copper Cliff smelter, $26,119; the Clydach refinery, $96,677; the Birmingham rolling mills, $186,011 and Birmingham Electric Furnaces, $14,445. No extraordinary capital expenditures are planned in 1933.

At the Frood mine a new surface plant was completed at No. 4 shaft in July, 1932, which duplicates and safeguards hoisting facilities at No. 3 shaft. All ore has been hoisted through this shaft since completion. No. 1 ventilating shaft was also completed to the 3,100 ft. level with consequent improvement in underground temperature and increased efficiency of operation.

The Creighton and Garson mines, operated at minimum capacity during the first part of the year, but have been closed since July. At the Copper Cliff concentrator, notwithstanding restricted operations, definite metallurgical advances were made during the year. At the adjoining smelter three reverberatory furnaces were operated until the end of March, after which two furnaces were used for the remainder of the year. The Orford process plant transferred from Port Colborne to Copper Cliff late in 1931, resumed operations in March, 1932, and ran intermittently as needed throughout the year, showing higher efficiency and lower operating costs than previously. The smelter at Coniston operated from January to July, when it was shut down. The Port Colborne nickel refinery operated two electrolytic units from January to August when operations were suspended to be resumed early in February, 1933.

Copper refining operations at the Ontario Refining Co. at Copper Cliff, in which International Nickel has a 42 per cent interest, were greatly reduced during the year, but here again increased efficiency resulted in holding operating costs to a level only slightly above that in 1931.

The nickel refinery at Clydach, Wales, operated continuously at a reduced scale for the first six months of 1932 when the pellet nickel department was closed to resume again in December. During the shut-down interval, reconstruction and refinements assure lower operating costs in the future.

The precious metal refinery at Acton, near London, operated at a reduced scale, reflecting curtailed operations at other plants. Here experimental work looking to the increased use of platinum metal has been actively prosecuted and further progress has been made in the electroplating of palladium.

Profit at Henry Wiggin & Co.

At Henry Wiggin & Co., a fabricating subsidiary in Birmingham, operations showed a substantial increase over 1931. The nickel contained in all products sold showed an increase of 17 per cent, while the fork and spoon production increased 50 per cent. A consolidation was effected during the year with the Monel-Weir, Ltd., another fabricating subsidiary, and Henry Wiggin & Co., which resulted in the transfer of the manufacturer of tubing and cold drawn shapes to the Zenith works at Glasgow, formerly operated by Monel-Weir, and the consolidation of all other "Monel Metal" products increased three times to that in 1931. Here again the consolidating of the various sales agencies of the Henry Wiggin & Co., and Monel-Weir, Ltd., reflected increased efficiency and lowered costs. At the Birmingham electric furnace plant expansion was necessary to take care of the increased volume of business. Sales in 1932 were greatly in excess of those in the previous year and were nearly equal to the combined three years previous. This subsidiary showed a net profit for the year as well as creating a growing use for the products made by Henry Wiggins & Co.

The Tareni Colliery at Pontardawe, Wales, operated at curtailed capacity, but produced approximately ten per cent more coal than in 1931, 27 per cent of which was used in the company's plant at Clydach.

Enquiries Increase

At the Huntingdon, West Virginia, fabricating works operations continued throughout the year at approximately 65 per cent of the 1931 rate. Here technical advances permitted the development of many improvements in process. At the Bayonne, New Jersey, foundry shipments of machine pipe fittings of Monel Metal and nickel increased over the previous year, as did other alloy products. General improvement both in orders and enquiries occurred during the latter half of the year, while the total shipments in 1932 were approximately 73 per cent of those in 1931.

The mining of sodium sulphate at Ormiston, Sask., used in the production of nitre cake for nickel refining, was not resumed during 1932 owing to stock on hand.

Robert C. Stanley, president of the company, in commenting on the outlook, says "that deliveries of both domestic and foreign nickel showed a slight improvement beginning in the third quarter of 1932. Your company's sales policy, including technical development and research, has stood the test of the depression and the relatively satisfactory showings made in the past year may be credited to it, more, than to any other contributing factor.

"The futility of attempting to forecast business conditions has become more and more apparent as the years of trade stagnation continue. Business is now marking time at its lowest ebb in generations. However, your company's market is world wide and well diversified. Its mines and plants are highly efficient and metal inventories are not excessive. World industry has passed through severe storms in the past and your company, whose financial condition is strong, should be considered well equipped to weather this particular storm."

Nickel Uses Diversifying

The report shows that notwithstanding the curtailed aggregate consumption of nickel that 1932 had many bright spots with respect to diversified use that is expected to reflect in greater tonnage once general conditions improve.

In all the various individual fields of application for nickel, including nickel steel and iron, nickel alloys, nickel plating and nickel silver, its consumption has maintained its relative position notwithstanding the decreased aggregate total during the year. The use of nickel, cast iron and nickel steel casting has improved substantially. The low rate of steel production, particularly for automotive and railway use in the United States, decreased the volume of nickel consumption. Increased application of nickel steel, particularly in the oil industry, was manifest during the year.

Stainless steel, sponsored by leading alloy steel manufacturers under a variety of trade names, is rapidly establishing a substantial position as a key material of industry. Recently an all-stainless steel railway car was developed and operated experimentally in United States and abroad.

"Monel Metal" and pure nickel, notwithstanding the lower consumption, have continued to find new applications in many fields. "Monel Metal" marine shafting and propellers are a new development. The consumption of nickel in its pure form remained about the same in 1932 as in 1931, due to additional applications, particularly in the chemical field. Nickel-clad steel plates made encouraging progress last year.

"Inconel," a new product developed by the company last year and containing about 14 per cent chromium, has found an acceptable field in dairy equipment.

The company is also turning its research attention to platinum and metals of the platinum group as it has to nickel. Platinum sales for jewellery and electrical trade declined substantially in 1932, but considerable progress has been made in electroplating these metals, which is increasing the field of commercial application.

Common shareholders increase four per cent to 98,557 at year and, while preferred shareholders decrease one per cent to 70,400.

The annual meeting of the company is called for March 28, in Toronto.

Ontario Gold Output $3,615,354 In Feb.

The total gold production by the gold mines of Ontario during February was $3,615,354 as compared with $3,505,198 in January, according to figures made available by the Ontario Department of Mines.

The Kirkland Lake camp production was $1,787,399 from 136,988 tons of ore treated or an average recovery of $13.05 per ton. Porcupine production was $1,733,265 from 256,653 tons of ore treated or an average recovery of $6.76 per ton. Northwestern Ontario produced $94,690 from 31,281 tons of ore treated or an average recovery of $3.03 per ton.

MALARTIC MEET BRINGS PROPOSAL FOR REFINANCING

Old Shareholders to Get One New Share For Each Two Held

The annual and special meeting of shareholders of Malartic Gold Mines held in Toronto on March 11 was marked by the retirement from the board of directors of the Lindsley group headed by D. M. Hogarth, as president. It is understood, however, that while this group has relinquished active control its proposals have been favorably received for the reorganization of the company.

The balance sheet of the company shows advances and interest thereon by Sudbury Basin Mines totalling $61,642 with negligible current assets. The capitalization of the company is $3,000,000 in $1 par value shares of which 2,800,007 are issued.

In recent weeks proposals have been received to finance the further test of the company's property, comprising 443 acres in Fourier township, Quebec, 25 miles east of Rouyn.

Sudbury Basin Takes Shares

The proposal received from the Lindsley group includes the formation of a new company having 4,000,000 shares. The old Malartic shareholders are to receive one new share for each two shares held, which will call for the issue of some 1,400,000 shares.

Sudbury Basin Mines proposes to take new shares at 20 cents each for its loans. Of the balance 500,000 shares are to be firmly underwritten by the Lindsley interests at 20 cents per share, providing the treasury initially with $125,000 for development. This group also has an option to take up a further 1,250,000 shares at a sliding scale which will average, if, as, and when exercised, about 60 cents per share (and be sufficient for any production programme that might be found expedient).

The new board of directors comprising John Houghton, A. Walz, Hector Authier, C. R. Morphy, W. A. McLean, W. D. Flatt, St. B. Sladen, J. B. Crerar and H. S. Kennedy will meet at an early date to speed the new financial plans.

Gold Share Values Near 1926 Index

The recent boom in the price of gold shares fails to approach prices reached in 1927 despite higher earnings. Earnings in 1932 without exchange compensation still below the 1926 index.

Gold Share Values Now Near 1926 Index

Earnings Index 19 Per Cent Above 1926 Reflecting Lower Commodity Prices and Exchange Compensation

Much has been written about the favorable position of Canada's leading gold mines and their market valuation with respect to earnings, but the accompanying chart showing the weighted market value with relation to earnings, of 11 leading gold stocks reveals some interesting information for investors.

In an effort to interpret the proportions of the recent boom in the stock market values of gold securities, The Financial Post prepared the chart that clearly shows what was termed a "boom" was a recovery of prices for these same stocks to a level established in April, 1931, or about the same price prevailing immediately prior to the stock market crash in 1929.

Using the average weighted market values in 1926 as the basis, the recent peak in market prices represented about 76 per cent of the average prevailing in 1926. The major boom in the leading gold stocks occurred in the last four months of 1927, at which time they reached a level 36 per cent above the 1926 average or 77 per cent above the price level established early in February, 1933.

Earnings Go Up—Costs Down

Coincident with the steady decline in the market value of these stocks, started in the fall of 1927, was a decline in earnings for the group that was not halted until the end of 1930. At that time earnings reached a level of about 63 per cent of the 1926 average and since that time the trend has been steadily upward, accentuated materially by earnings due to exchange compensation instituted by the Canadian Government in September, 1931, when Great Britain went off the gold standard. The upward trend of earnings for these stocks has a marked relation to the trend of general commodity prices, which had a bearing on operating costs for the gold producers.

The following tabulation shows the trend of commodity prices since 1926:

Commodity Index (100=1926)

Year	Commodity Prices
1926	100.
1927	97.7
1928	96.4
1929	95.6
1930	86.6
1931	72.1
1932	67.0
1933 (Feb.)	63.6

While it is only fair to emphasize that the rapid rise in earnings was largely influenced by the turn of events marked by Great Britain going off the gold standard, irrespective of this source of profit, earnings had been steadily climbing. Omitting earnings from exchange compensation, this same group of gold producers would have reached 93 on the index of earnings in 1932 or returned to nearly the 1926 level.

The advance from 93, or what may be called the normal earnings, to 119, as shown on the chart at the end of 1932, can be accredited to exchange compensation. In interpreting this for the group it is evident that the exchange compensation in 1932 boosted the average earnings approximately 28 per cent.

What Trend Exchange?

Speculation has been active among the gold miners and those interested in gold stocks as to the future trend of premium on United States funds that has been so profitable to the gold mines. In 1932 the exchange compensation paid by the Canadian Government to the gold producers averaged 12.2 per cent. The high point of premium on United States funds was reached in December, 1931, while the low of eight per cent was reached in October, 1932. Since that time it has fluctuated to a high of 23 per cent in February.

With chaos prevailing in the banking circles in United States, which resulted in the declaration of a banking holiday, the question of exchange became more complex. With the order permitting the re-opening of leading banking institutions on March 13, the premium on United States funds remained strong at near the 20 per cent level.

Economists are at great variance as to the probable future trend, some contending that the incoming Democratic administration in the United States will endeavor to alleviate the broad spread in the exchange and thus tend to remove an effective trade barrier. The incoming administration is pledged to a lower tariff and reciprocity negotiations have already been announced by Prime Minister Bennett in order to stimulate a freer flow of trade between the two countries.

Important as the exchange compensation has been to gold producers it is not the only factor governing the trend of profit. It has already been shown that commodity prices had declined, at the end of 1932, to 67 per cent of the 1926 basis. Coincident with this decreased cost in supplies to gold mines, has been a steady advance in metallurgical practice and mining methods that has reduced costs and improved extraction. The efficiency of labor has been even more marked than the decline in the commodity price index. Labor today is giving more value for the wages paid than in preceding years, although there has been no reduction in the scale of wages among the leading gold mines. It will thus be seen, therefore, that aside from earnings from exchange compensation new forces are at work that materially increase earnings of gold mines.

Leading economists throughout the world continue to propound the advantage of currency inflation as a remedy for our economic ailments. An equally large and prominent group of economists oppose this panacea.

Should steps be taken by international agreement or by agreement of leading powers to introduce some form of inflation the effect would be far reaching on the gold producers.

Dr. Stephen Leacock, Professor of Economics at McGill University, has proposed a reduction of the gold content of Canadian dollars from 23 to 17 grains. This would have the effect of increasing the value of gold approximately 35 per cent and until such time as commodity prices were reflected in increased production costs, an enormous stimulus would be given to the earnings of the gold producers. Not only would there be a stimulus to profit, but also to the exploration for and the production of gold which is one of the underlying motives of the proposal.

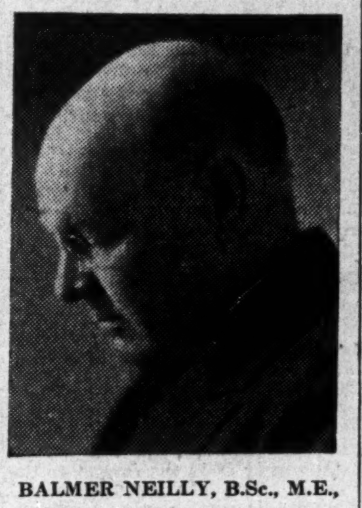
These economic factors have an important significance for investors in gold stocks, but what developments the future will bring forth, time only will tell.

Index to Mining Stocks

The weighted index number of twenty mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100 was 67.3 for the week ending march 9th, as compared with 70.5 for the previous week.

Eleven gold stocks fell from 69.6 to 66.2, four gold-copper stocks from 80.9 to 77.8, and five silver and miscellaneous stocks rose from 26.2 to 26.3.

Heads C. I. M. M.



BALMER NEILLY, B.Sc., M.E.,
who has been selected as the next president of the Canadian Institute of Mining & Metallurgy. Installation will take place at the annual meeting on April 4, 5, and 6, in Toronto.

Balmer Neilly To Head Miners Society For 1933

The selection of Balmer Neilly, B.A. Sc., M.E., as president of the Canadian Institute of Mining & Metallurgy, has been announced for the ensuing year. He succeeds Dr. John A. Allen, Ph.D., Professor of Geology at the University of Alberta, whose year of office expires with the annual convention being held in Toronto, April 4, 5 and 6.

Mr. Neilly graduated from the University of Toronto in 1908 with a B.A. Sc. degree followed in 1912 with an M.E. degree. Since that time he has been intimately connected with Ontario mining activities, the first in Cobalt and later as secretary of the Ontario Mining Association. In 1924 he was appointed assistant to the president and treasurer of McIntyre-Porcupine Mines, which position he has since held.

Minerals of Ontario Total $79,007,425 in 1932

Product (tons of 2,000 lb.)		1931 (Final) Quantity	1931 (Final) Value $	1932 (Preliminary) Quantity	1932 (Preliminary) Value $
Metallic					
Gold	oz.	2,085,815	43,117,615	2,287,280	47,282,274
Silver	oz.	6,603,027	1,880,860	6,220,278	1,912,006
Copper in matte exported (a)	lb.	13,240,120	728,206	17,650,186	617,756
Copper metallic	lb.	99,642,505	8,178,863	59,401,323	3,789,733
Metallic nickel and content	lb.	66,585,865	15,005,080	30,327,968	7,179,862
Platinum metals	oz.	91,643	2,812,834	64,648	1,989,260
Selenium	lb.	16,899	32,108	....	....
Bismuth	lb.	7,331	3,532	16,798	7,289
Cobalt	lb.	521,051	651,179	490,631	589,062
Lead	lb.	985,633	41,987	86,477	1,828
Molybdenite	lb.	1,222	280	....	....
Total		....	72,452,544	....	63,369,070
Non-Metallic					
Actinolite	tons	35	456	....	....
Arsenic, white	lb.	3,575,936	135,170	2,424,342	98,714
Diatomite	tons	60	840	11	309
Feldspar, crude and ground	tons	7,962	100,119	3,657	42,920
Fluorspar	tons	40	620	32	464
Graphite, crude and refined	tons	548	32,149	346	18,483
Gypsum	tons	53,358	374,469	35,655	186,175
Iron pyrites and sulphur (b)	tons	6,508	65,080	3,332	33,320
Mica	tons	1,049	23,465	269	2,752
Mineral water, Imp. gals.		197,540	8,578	61,208	2,473
Natural gas	M. cu. ft.	7,419,534	4,635,497	7,244,624	4,544,000
Peat	tons	504	1,096	2,486	5,307
Petroleum, crude	bbls.	122,364	219,993	130,343	247,468
Quartzite & quartz	tons	97,888	148,642	67,625	93,724
Silica brick (c)	M.	279	13,702	93	4,304
Salt	tons	231,329	1,760,388	231,138	1,789,752
Talc and soapstone	tons	11,806	122,044	12,064	111,585
Total		....	7,642,308	....	7,181,750
Structural Materials:					
Cement, Portland	bbls.	3,470,056	5,006,826	1,599,342	2,288,975
Hydrated lime	tons	34,284	379,996	23,518	255,223
Quicklime	tons	113,267	841,194	143,064	1,016,978
Sand and gravel	tons	6,663,972	2,317,015	5,110,985	1,325,703
Sand-lime brick and blocks (d)	M.	27,378	253,228	6,903	88,825
Stone	tons	4,051,070	3,197,297	2,122,392	1,765,619
Total		....	11,995,556	....	6,741,323
Clay Products:					
Brick, face	No.	59,879,592	1,278,954	26,092,080	535,680
Brick, common	No.	44,204,620	662,777	17,637,238	304,657
Brick, fancy	No.	259,239	16,829	36,134	1,790
Brick, sewer	No.	1,945,620	33,321	946,144	22,693
Tile drain	No.	10,210,935	244,368	6,391,304	145,792
Tile, structural, roofing and floor		....	378,193	....	168,652
Sewer pipe, etc.		....	696,964	....	451,786
Pottery from domestic clay		....	73,860	....	67,866
Haydite		....	167,533	....	16,366
Total		....	3,552,799	....	1,715,282
Grand total		....	95,643,207	....	79,007,425

(a) Copper in matte valued at 5½ cents in 1931, and at 3½ cents in 1932.
(b) Tonnage given is sulphur content.
(c) No deduction for ganister rock used, which is included with Quartzite.
(d) No deduction made for lime consumed in manufacturing.

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PARKHILL GOLD RECENT WORK HITS GOOD ORE

Mill Recovering Around $1,500 in Bullion Daily

The latest development at Parkhill Gold Mines, in the Michipicoten area, on the fifth level, or a depth of 610 ft., is reflecting a striking improvement in gold production, currently averaging around $1,500 daily, according to official information given The Financial Post.

The tonnage yielded from the new development between January 20 to March 2, was 1,311 tons having an average value of $23.50 per ton. Three stopes above the fifth level are giving consistent values providing mill feed of spectacular ore. It is the best level yet to be developed. Moreover, two diamond drill holes to the sixth level or at a depth of 740 ft., indicate the persistence of these values as the veins merge to give a width of eight to nine ft., the greatest width so far encountered in the mine.

Since commencement of production in July, 1931, operations have been confined to the exploration of an ore zone about 500 ft. in length on the main vein system, which has been followed by an incline shaft to the present lowest level of 610 ft. This limited zone has been followed down, due to the exigencies costs, rather than broadening out exploration laterally. Production now has practically paid all operating and exploration costs. With additional funds made available an opportunity will be afforded for lateral exploration beyond this ore zone.

Mill Heads High

Milling operations were suspended early this year to permit of introducing refinements in milling practice which would increase capacity. The mill was increased from 50 to 100 tons, but when operations were resumed in March the high grade ore from the fifth level made it necessary to curtail the daily tonnage in order to get efficient extraction with the result that capacity is being held close to 40 tons daily with the daily gold recovery approximately $1,500.

The company has an issued capitalization of 2,810,044 shares.

The following tabulation gives production since inception of operations:

Production Summary

Year	Tons Milled	Recov. Per Ton	Bullion Recovered
1931*	9,082	$7.58	$68,811
1932	16,822	8.73	146,798

*9 months.

Swayze-Huycke Gold Syn. To Explore Swayze Area

The Swayze-Huycke Gold Synd. has recently been formed to develop a gold find made in Cunningham township, about five miles south of Kenty Gold Mines. The property was staked by F. G. Huycke, who prospected in the area many years ago when the Anglo Sudbury Mines were developing a lead-zinc property in the area.

Free gold has been found in a mineralized break some 60 ft. in width that has been traced for about three quarters of a mile. The property is about two miles east of the road between the Kenty and Sultan on the C. P. R.

FOR SALE
The valuable Gold Mining property situated at Harrigan Cove, Halifax County, Nova Scotia. (Formerly known as St. Anthony), comprising 233 acres with frame of mill, stamps, boiler, etc. One mile from highway and three miles from water transportation.
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"More Gold!"
Gold Bullion to the standard value of 47 million dollars, or 53 million dollars in Canadian Funds, was produced by the Mines of Ontario in 1932. This is a record annual output, being an increase of 4 Million Dollars in standard value over the output for 1931.
Ontario Gold Mines have paid dividends to the end of 1932 amounting to $135,104,303. Dividends for 1932 amounted to $16,015,018.
Ontario Department of Mines,
HON. CHARLES McCREA,
Minister of Mines

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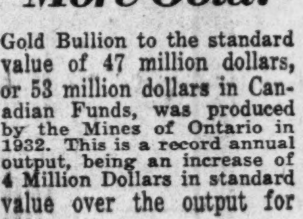
GOLD



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